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TODAY:
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Asia's Class of '99 Finds No Room in Workplace

Crisis Slams Many Doors but Opens Others As Students Begin Thinking in New Ways

By Mary Jordan
Washington Post Service

SEOUL — It was early evening at the Dusk Hof, a dark little bar near Sogang University, and a few of the "pre-unemployed," as South Korean college students call themselves these days, nursed cheap draft beers at a table in the back.

"Everyone's red-eyed from physical or emotional exhaustion, stress and depression," said Park Hyang Rim, 23, who has taken the winter semester off to postpone her graduation into a barren job market. "I'm very worried that I might be stuck without a job for life."

South Korean students are deferring graduation, scrambling to get a spot in the military, borrowing money to get unwanted graduate degrees, emigrating — anything to avoid graduating into a workforce with no place for them. Almost 2 million workers have been pushed out of work this year, and college students see the job market backed up like a clogged drain for years to come.

"Finding a job is harder than pulling a star out of the sky," said Cho Eun Young, a Korean member of Asia's battered Class of '99.

College students from Jakarta to Tokyo are entering the meanest job mar-

ket on record as Asia's worst economic year in modern history draws to a close. Tens of millions of once-comfortable lives are heavy with hardship. Many of Asia's poor are poorer and its middle class has been hollowed out as a region that once seemed to sprout unlimited wealth and jobs continues to bleed both.

But not all the changes are necessarily bad. In Indonesia, students say they are invigorated by the end of the 32-year reign of former president Suharto and a growing sense of people power. In Japan, crumbling respect for Japan Inc. has left college students feeling, as a would-be magazine editor, Youchi Matsuda, said, "less societal pressure to be a dark-suited company man."

Whether it is opening doors or slamming them shut, the 1998 Asian economic crisis is shifting into a 1999 Asian identity crisis. As stock markets and currencies show signs of stabilizing, the economic crisis is giving way to even more urgent social and political crises that are reshaping Asia.

Nations are now picking through the economic devastation, confronting fundamental questions: What should be salvaged from the old Asian way, and what must be discarded? How much more like the West will Asia's markets and politics become? What will be the legacy of this calamity?

The Class of '99 embodies the coming change. Indonesian students, outraged at their autocratic government, are risking their lives on a democratic future. Japanese students say that the day their economy started falling apart, some Japanese lives started to improve. Despite record unemployment, the economic crisis has forced openings in the economy and more foreign competition, resulting in more diverse job opportunities for many Japanese students.

South Korean students fear their careers will be irreversibly stalled between the dismantling of the old Korea, dominated by a handful of huge con-

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4 Hostages Are Killed As Yemen Ends Siege

Compiled by Our Staff From Dispatches

SAN'A, Yemen — Four hostages were killed on Tuesday when Yemeni security forces stormed kidnappers holding 16 Western tourists and freed the remaining hostages, a Yemeni official said.

"The operation resulted in the death of four Britons, two women and two men," the official said. "Three hostages were injured: one American woman, a British man and an Australian man."

In London, however, the Foreign Office said only three British hostages had been killed. Foreign Secretary Robin Cook said that he understood the fourth hostage to be a woman.

The kidnappers were Islamic extremists who belonged to the Fadl tribe. The official said troops had stormed the kidnappers' stronghold after reports that they had killed two of their captives.

"The operation started after abductors started killing hostages," the Yemeni official said, adding, "They killed two, and then our forces stormed them to prevent an escalation of the situation and the killing of more hostages."

He said that three kidnappers were killed and three wounded.

The official said that nine of the freed hostages and two bodies had arrived at a hotel in Aden, and that the others were on their way to the southern port city. The names of the hostages were not immediately available.

The kidnapping occurred Monday near the southern town of Mawdiyah, about 200 kilometers (120 miles) south of the capital, San'a.

The hostages included 12 Britons — six of them women — two American women and two Australian men.

They were taken when 18 men ambushed a convoy of five vehicles in which the tourists had been traveling and opened fire on their police escorts.

During the ambush, the British tour leader and a Yemeni guide escaped and sought help.

The kidnapping of tourists by tribes is a commonly used method in Yemen to gain such concessions from the government as new roads, water supply or clinics. The hostages are generally released unharmed.

But the latest incident marked the first time an abduction had been carried out by Islamic extremists. Security officials said the kidnappers belonged to Islamic Jihad, many of whose leaders fought in Afghanistan and are believed to have connections with Egyptian Muslim radicals.

Earlier Tuesday, Yemeni officials

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Newsstand Prices

Andorra	10.00 FF	Lebanon	11.300
Armenia	12.50 FF	Morocco	18 Dh
Cameroon	1,600 CFA	Oman	10.00 QR
Egypt	5.50 FF	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	3,000 Lire	Spain	250 Pes
Portugal	1,250 CFA	Tunisia	1,250 Dh
Sweden	1,250 JD	U.A.E.	10.00 Dh
Ukraine	700 Hry	U.S. (Eur.)	\$1.20



Khieu Samphan speaking Tuesday in Phnom Penh, with his fellow Khmer Rouge leader Nuon Chea.

A Khmer Rouge Leader Is 'Sorry'

Khieu Samphan, Back in Phnom Penh, Urges Nation to Forget Past

By Seth Mydans
New York Times Service

PHNOM PENH — A top leader of the Khmer Rouge muttered an apology Tuesday, saying he was "sorry, very sorry" for the suffering he had caused the Cambodian people.

His apology, in English, came only after aggressive questioning at a news conference. At the insistence of Cambodian reporters, he repeated it in the Khmer language: "Knyom som tos."

But the leader, Khieu Samphan, repeatedly urged both Cambodians and foreigners to "let bygones be bygones" regarding the deaths of more than a million people between 1975 and 1979, when he was the Khmer Rouge head of state.

Mr. Khieu Samphan, 67, who was welcomed back to society Tuesday with an embrace from Prime Minister Hun Sen, said Cambodia should focus on the problems of the present and "forget the past."

A second high-ranking defector, Nuon Chea, 71, was also asked if he had an apology to make to his countrymen. "Actually, we are very sorry not only for the lives of the people of Cambodia but even for the lives of all animals that suffered because of the war," he said.

The two elderly leaders, who gave up their struggle four days ago, flew here Tuesday morning by helicopter from the western town of Pailin, where they have begun new lives as self-proclaimed "ordinary citizens."

It was the first visit here by Mr. Nuon Chea since Khmer Rouge times, when Phnom Penh was a dead city, emptied of its citizens by his absolutist theory of a primitive agrarian revolution.

Cambodians who heard him noted that he referred specifically to Cambodia's long civil war, not to the ravages of the Khmer Rouge rule, when nearly a fourth of the country's population was killed or died of starvation, disease and overwork.

Mr. Nuon Chea, known as "Brother Number Two" to the late Khmer Rouge leader Pol Pot, was the architect of the movement's forced evacuation of the cities in 1975. He later had command responsibility over a wave

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For Germany, an Iconoclastic Law-and-Order Man

By Roger Cohen
New York Times Service

BONN — From the neck down, Otto Schily, Germany's interior minister, is very much the bourgeois gentleman: pocket watch, tailored suit, elegant cuff links, somber tie. But look up at his mischievous eyes and unruly hair, and some of the contradictions of the man and his country begin to come into focus.

Mr. Schily, who represents law and order in this most ordered of nations, is an iconoclast: a defender of the revolutionary Red Army Faction during the 1960s, celebrated lawyer in the 1970s,

founder of the environmentalist Green Party in the 1980s, tough Social Democrat in the 1990s and bon vivant with a love for Tuscan thoroughbreds.

Germany is changing. In place of the monolithic figure of Helmut Kohl, with his taste for sausages and his unwavering dedication to Europe and the trans-Atlantic alliance, a new class of Germans has come to power. They are more checkered in their pasts, more nuanced in their allegiances — and more inclined, like Mr. Schily, to love olive oil than wurst.

Germany is no longer a prisoner of the Cold War. It is ever less a prisoner of

its past. It is learning, fitfully, to relax and is now full of people like Mr. Schily, who have walked a long German road to emancipation.

To allies, including the United States, this change is disorienting. It involves a departure from the scene of the predictable German — solid, solemn, unassuming. But to Mr. Schily and his colleagues it is a sign of democratic maturity.

At the age of 66, the interior minister is the doyen of the new "Red-Green" government of Chancellor Gerhard Schröder. He is also, in his long journey from protest to power, a typical figure.

Like the chancellor, a former Marxist, and like Foreign Minister Joschka Fischer, a revolutionary agitator in the 1960s, Mr. Schily once flirted with the far left.

"I am not of the 1960s generation," Mr. Schily said. "I had a steady job as a lawyer and a family by then — but I was drawn in. And I think that even if 1968 was a failure in the end, it contributed decisively to the birth of civil society in Germany."

And what, then, was the Germany that predated this civil society? "For a long time after the war," he said, "we had the

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Hazed and Hating It: Russian Draftees Flee Army

By Daniel Williams
Washington Post Service



A young deserter who fled to St. Petersburg rather than risk ending up in a "zinc box" or coffin.

ST. PETERSBURG — Volodya, with a boyish fuzz on his lean young man's cheeks, detailed his ordeal in slang he picked up during a short, brutal stay in the Russian Army.

"Grandfathers" — that is, senior soldiers in his unit — had "hung" him with an arbitrary debt. When he didn't pay, the grandfathers taught him to "fly" — meaning they kneed him with such force that he was lifted off the barracks floor.

Fearing he would end up in a "zinc box," Volodya deserted, fled to St. Petersburg and hid in the anonymous high-rise neighborhoods of the city's periphery. Zinc box is what soldiers call the metal coffins used for military dead.

Volodya has joined the legion of deserters and draft dodgers on the run from the army, a once-proud institution that has become a chamber of horrors spread across 11 time zones. Unrestrained hazing and material deprivation await youths who answer their country's call to serve. Killings, suicides and depraved forms of abuse are the backdrop of a soldier's life.

The beatings aggravate already inhumane conditions brought on by Russia's seven-year economic collapse and deep cuts in military spending. Barracks are often unheated, and soldiers go without pay for months. Units trained for tank warfare sometimes pick potatoes to make money. Corrupt generals use their troops as free labor to build country homes or to maintain their properties.

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In Microsoft Suit, Gates Sees the Ghost of IBM Past

By Elizabeth Corcoran
Washington Post Service

WASHINGTON — In September, Bill Gates, chairman of Microsoft Corp., and his wife, Melinda, took several dozen friends on a vacation train trip across Montana, Wyoming and Colorado. It was, predictably, a first-class affair — private rail car, fine food and some of the most beautiful scenery in the country.

During dinner at a restaurant where the party stopped, a couple of strangers joined the group and proceeded, to most everyone's amazement, to mor-

phally tease the hosts. "Hey, aren't you that computer guy Steve Jobs?" one of them demanded of Mr. Gates. In fact, they were actors, brought in as entertainment by Mr. Gates and closely coached by him on what to say.

As the world's richest person, Mr. Gates is accustomed to controlling many of the events around him. But in the three months since that carefree rail trip, he has found himself unable to blunt the assault that the federal government has launched against his company. Day after day, in the antitrust trial in a Washington courtroom, Justice Department lawyers have been laying out a case for Microsoft as a danger to the U.S.

software industry, with Bill Gates as the ringleader.

As the trial has progressed, no one has felt the lash of those charges more than Mr. Gates. In interviews, close friends and associates paint a portrait of a man deeply stung by the accusations against him and his company, convinced that he has done nothing wrong, and simmering with anger that the government will not accept his explanations and back off. In contrast to how he has typically run his business life, he is reacting more with his heart than with his head, they say.

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Deployment Of Missiles Is Scrapped By Cyprus.

Island Greeks Defuse Tension With Turkey Over Russian S-300s

By Joseph Fitchett
International Herald Tribune

PARIS — Cyprus canceled the deployment of advanced Russian surface-to-air missiles on Tuesday and instead agreed to store them in Greece, extinguishing a flash point for potential Turkish attacks on the island and easing Greek-Turkish tensions both in the Aegean and within NATO.

President Glavkos Klerides of Cyprus said, "I reached the decision not to install the missiles on Cyprus, and I agreed to negotiate with the Russian government on the possibility of installing them on Crete," a Greek island from which the missiles would not be able to reach Turkish airspace.

Western governments had been hoping that the Greek Cypriots would accept this plan as a way of ending the confrontation over the S-300 missile system. In recent weeks, the United States pressed a diplomatic campaign promising new momentum to settle the Cyprus question if the Greek Cypriots did not take delivery of the \$500 million weapons package.

For nearly a year, officials of the North Atlantic Treaty Organization have warned that Turkey would probably carry out its threat to launch a devastating air assault against Cypriot military installations as well as the launching sites if the Greek Cypriots deployed the weapons, widening their military edge over the Turkish Cypriots in the northern part of the divided island.

The U.S. State Department quickly commended Mr. Klerides for reducing tensions on Cyprus and said that his decision would give "important new impetus" to U.S.-backed moves by the United Nations secretary-general, Kofi Annan, to reinvigorate the drive for a final settlement on the island.

The idea of sending the batteries to Crete had emerged as the most palatable option for Cyprus, according to officials in NATO countries, who said that they thought Turkey could be persuaded to accept this outcome despite earlier statements warning of Turkish "concern" if the missiles were deployed on Crete.

Several of the officials interpreted the Greek Cypriot announcement to mean that the missiles were to be stored on Crete without being activated until Turkey was reassured about their presence.

Russia seemed unlikely to object to the announcement. Moscow had stressed that the sale was a purely commercial venture. It was unclear whether Moscow had received full payment for the armaments from Cyprus or whether part of the

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AGENDA

King Hussein Leaves Hospital

AMMAN, Jordan (AFP) — King Hussein of Jordan has left a hospital in the United States where he was treated for more than five months for cancer, his younger brother, Crown Prince Hassan bin Talal, said Tuesday.

King Hussein, 63, was hospitalized at the Mayo Clinic in Rochester, Minnesota, on July 14 suffering from cancer of the lymph glands.

Threat to Freetown

FREETOWN, Sierra Leone (AP) — A top rebel commander Tuesday said his forces would attack Sierra Leone's capital within two days if the government failed to agree to talks to be mediated by the Organization for African Unity.

The Dollar		
New York	Tuesday 9 A.M.	previous close
DM	1.6725	1.676
Yen	115.465	115.86
FF	5.6097	5.621
Pound	1.6827	1.6702
<i>Dollars per pound</i>		
The Dow		
	Tuesday close	percent change
+ 94.23	9,320.98	+ 1.02%
S&P 500		
+ 18.28	1,241.77	+ 1.33%
Nasdaq		
+ 0.94	2,181.24	+ 0.04%

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Race to the Altar / Blurring Lines

Mixed Marriages Give U.S. Melting Pot New Life

By Michael A. Fletcher
Washington Post Service

MONTCLAIR, N.J. — Some see it as a demographic shift that will irreparably tear at the fabric that binds Americans, this vast influx of immigrants who for more than two decades have been streaming across the nation's borders. President Bill Clinton appointed a commission to help the country absorb its new multicultural citizenry, a flurry of new books have questioned the very premise of the faded melting pot, and several social historians are now asking whether the country is on the verge of becoming a balkanized nation with shared geography but no common identity.

Yet the mounting fears of ethnic divide are being answered by a force of potentially equal might: the enormous rate at which couples of different races and ethnicities are marrying one another.

Since 1960, the number of interracial couples in the United States has increased more than tenfold, to 1.6 million, including marriages involving Hispanics. Such unions now account for about 4 percent of U.S. marriages, a share that is expected to mushroom in coming years and that is already offering powerful evidence that many Americans are jettisoning old prejudices as never before.

"I think we are at the edge of a major change in how we think of race in the United States," said Reynolds Farley, a demographer with the Russell Sage Foundation. "Potentially, race could lose much of its meaning in this country, much like ethnicity has for whites."

In open-minded suburbs like Montclair, outside New York City, mixed-race couples like Elizabeth Seaton and Sietze Frankfort are so common that they rarely turn heads. The school system here has even started offering seminars to address the concerns of multiracial children.

Mr. Frankfort, the product of a union between his Indonesian mother and Dutch father, said he knew his family would readily accept his new girlfriend, back when they started dating. But Ms. Seaton's family was another matter.

"I was nervous," she said. "My father has attitude. He carries on about other ethnic and racial groups, particularly black folks and Jews."

But when Mr. Frankfort finally met her father, things turned out fine. And for the 18 years the couple has been married, Mr. Seaton's father, like the rest of her family, has been nothing but warm toward her husband.

Not only are interracial unions, and the children they produce, complicating predictions about the future racial makeup of the United States, they are calling into question widely understood notions of race.

The rates of intermarriage among many minorities now rival those of second-generation immi-



Interracial unions like that of Sietze Frankfort and Elizabeth Seaton of Montclair, New Jersey, account for 4 percent of U.S. marriages and are expected to mushroom.

grants whose parents came to America in the decades near the turn of the century. Intermarriage among the descendants of those early immigrants over time all but erased ethnic stereotypes that once defined white Americans. While white ethnicity was once a salient feature in American life, the 1990 census found that in only one in five white couples did both partners share the same ethnic heritage.

"Nobody talks about balancing a political ticket with an Irish or an Italian anymore," Mr. Farley said.

Interracial relationships still stir racist passions. In 1992, for instance, the volunteer coordinator of Pat Buchanan's Republican presidential campaign in New Jersey was removed after he compared mixed marriages to the cross-breeding of animals.

And it was only three decades ago, in 1967, that the Supreme Court ruled anti-miscegenation laws unconstitutional, wiping those statutes off the books in Virginia and 15 other states. But the sentiments that undergirded those laws are increasingly giving way to interracial tolerance.

That is likely to be even more true as the nation's Hispanic and Asian-American populations continue to grow. Many of the new immigrants come from countries with mixed-race traditions. Some analysts say that makes them more open to interracial marriage, particularly to whites.

TODAY, ALMOST one-third of U.S.-born Hispanics ages 25 to 34 are married to non-Hispanic whites. In addition, 36 percent of young Asian-Pacific-American men born in the United States marry white women, and 45 percent of U.S.-born Asian-Pacific-American women take white husbands. The vast majority of Native Americans also marry whites.

Glenn Shimamoto, a second-generation Japanese-American who grew up near Pittsburgh but now lives in Montclair, says his race was only a factor on the rare occasions when he was confronted with racist name-calling and insults from "the small group of

guys who were known for that."

Otherwise, he saw his life as largely indistinguishable from those of his white neighbors.

"Virtually all my dates would be with white girls, save for the enforced date or two with the other Japanese student who may have been around," said Mr. Shimamoto, now 46. "But I remember no social or family pressure to date or not date girls of a certain race."

He met his future wife, Belinda, who is of English, Irish and Scottish heritage, while they were graduate students at the University of Pennsylvania.

In the 17 years the couple has been together, they say they have lived peacefully, mostly in white, suburban neighborhoods.

"It's funny," said Belinda Shimamoto. "But it probably was a bigger deal from the Irish Catholic mother married my British Protestant father."

Yet if a picture is beginning to emerge of racial and ethnic melding, one group is noticeably absent: blacks. Rates of interracial marriage involving blacks, while increasing, remain far lower than those of other racial minorities. Fewer than one in 10 black men and one in 25 black women ages 25 to 34 have white spouses, according to the 1990 census.

SOME OBSERVERS say they fear that the emerging portrait points to a future in which many blacks will still find themselves on the other side of a color line. But rather than separating them from whites only, this line could separate blacks from everyone else.

"In the America of the middle of the next century it might look like the race problem is a black problem and these other groups may be followed some other kind of model into some kind of pluralistic acceptance," says Roderick Harrison, a Census Bureau demographer.

Mr. Harrison and others say the differences in intermarriage rates between blacks and other minorities illustrate the fact that disproportionate numbers of blacks remain outside the American mainstream.

When it comes to housing, blacks are the most segregated of the nation's racial minorities, "by orders of magnitude," said Rebecca Blank, a member of the presidential Council of Economic Advisors, which compiled a report on racial dynamics.

On average, blacks live in neighborhoods that are 60 percent black, while Hispanics and Asian-Americans tend to live in far more diverse neighborhoods.

"When you are talking about Asian or Hispanic middle classes moving into neighborhoods, you don't see the same tripping mechanism, causing whites to move out that you see with blacks," Mr. Harrison said. "These things suggest that the black-white color line is still with us, and that the integration of blacks is going to be a different story than the assimilation of Asians and Hispanics."

In the Land He Died For, A Rain Forest Martyr Lives

By Diana Jean Schemo
New York Times Service

XAPURI, Brazil—Handwritten signs hang from the ceiling in the simple shack where Chico Mendes lived and died. "These were the clothes he wore the day he was killed," says one sign, swaying over a pair of shorts and a checkered shirt that his widow, Ilzamar, has laid out on their bed. "In the hall; I held my children and Ilzamar in my arms," said another. "I fell here. I realized that I didn't belong to this world anymore."

In his life, Francisco (Chico) Mendes, outspoken defender of rubber tappers and the Amazon rain forest, cut a larger figure around the globe than he did around the corner. In his final days, he told his family and friends about unrelenting death threats from local ranchers. Despite his international contacts, he knew that police officials in his home state of Acre would do little to protect him.

His murder at the age of 44 — 10 years ago this month — brought even more international attention to his cause. Now, Mr. Mendes's Workers' Party has won control of City Hall and of the governor's palace in the state capital. Both of the senators who represent the state in the nation's capital are from the Workers' Party and millions of acres of rain forest have been reserved for the rubber tappers and nut gatherers whom Mr. Mendes defended.

"Ten years after his death, Chico Mendes has come to power," said Antonio Alves, a local journalist who followed his career.

The genius of Mr. Mendes, say those he left behind, was his decision to reach out to the environmental movement abroad for support for his rural labor movement.

While land reform remains a violent battle between ranchers and rural workers, the environmental ideals advanced by Mr. Mendes have become common currency, at least rhetorically, among government officials. And the reserves he envisioned to extract products from the land without destroying it now exist for other products, from hearts of palm to timber.

Still, all is not well. The lives of the tappers are as wretched as ever, with the price of rubber and other commodities dragged down by the deep recession in Asia, to a lower point than when Mr. Mendes was buried.

His widow, Ilzamar Gadelha Mendes, now 34, is in open warfare with his party, and the two sides hurl bitter accusations about exploiting, and betraying, Mr. Mendes's name. The men in jail for his murder remain bitter and blame the rubber tapper for inviting his own death.

On Friday, the new political leaders of Xapuri and Acre will be sworn into office. Many of them stood together with Mr. Mendes when he organized his famous "empeates," or statements, of rubber tappers — who formed human walls in the jungle to block the tractors, chain saws and fires of deforestation.

Senator Marina Silva, the daughter of



Before his murder in 1988, Chico Mendes founded a rural labor effort.

a rubber tapper, said the centrist parties had been discredited with assertions of corruption and mismanagement. The Workers' Party had been building a political base in Acre for more than two decades, but it appears to have come in from the political margins only after Mr. Mendes's killing.

Some of the tappers came here at the turn of the century and others during World War II, to supply a U.S. war effort deprived of Malaysian rubber. The tappers hike through the forest, slitting the trunks of rubber trees and fixing small buckets to them to collect the dripping latex.

The governor-elect, Jorge Viana, and the new mayor of Xapuri, Julio Barbosa Aquino, have not issued concrete plans, but they said they would build their administrations around the needs of the tappers, a first for the region. Unlike ranchers, for example, tappers have never had access to government credit and other forms of assistance, they said.

Rubber tapping generally provides income of less than half the minimum wage of about \$104 a month. The only future for the workers, the new leaders contend, lies in broadening the range of products gathered by these workers and building markets for fruits and other products that can be found only in the rain forest.

■ 2 Landless Leaders Are Slain

Two leaders of the Landless Movement in Brazil have been ambushed and shot execution-style in an area of Sao Paulo state, where tensions over land conflicts are running high, Reuters reported from Brasilia, quoting newspaper reports.

The two, Jurandir dos Santos, 26, and Roberto Oliveira, 22, disappeared Dec. 18 near Sao Jose dos Campos, 100 kilometers (60 miles) northeast of the industrial capital of Sao Paulo, the daily newspaper Folha de Sao Paulo said during the weekend.

Both worked with landless peasants who in September invaded the Santa Rita ranch in the troubled region of Vale do Paraíba.

TRAVEL UPDATE

Watch Over Revelry On Champs-Elysees

PARIS (APF) — The police announced tight security measures and traffic and parking bans on and around the Champs-Elysees, where half a million revelers are expected to usher in the new year on Thursday night.

The increased security was prompted mainly by an incident in July during celebrations of the French victory in the World Cup of soccer. About 150 people were injured when a car went out of control on the Champs-Elysees.

On Thursday, traffic will be banned from Place Charles de Gaulle to Place de la Concorde from 10:30 P.M. to 5:00 A.M. Parking will be banned on adjacent streets starting Thursday morning. The number of police reinforcements was not given. Last Dec. 31, about 1,500 police officers were deployed along the avenue.

Entrance Fees Raised At Vatican Museums

VATICAN CITY (AP) — The Vatican museums, which include the Sistine Chapel, are raising entrance fees

from 15,000 lire (\$9) to 18,000 lire.

The Vatican said Tuesday that the higher ticket prices would go into effect Saturday, the first day in 1999 when the museums will be open. Entrance will remain free on the last Sunday of every month, unless those days correspond with Vatican holidays.

Entrance is also free on Sept. 27, World Tourism Day.

TWA Back in Form

Following 'Sick-Out'

ST. LOUIS, Missouri (AP) — Trans World Airlines says it is back on schedule after a work action by flight attendants that forced the airline to cancel nearly 200 flights and disrupted the travel plans of thousands of passengers over the Christmas holiday.

The largest number of flight cancellations, 90, came on Christmas Day, Friday, stranding thousands of travelers

at TWA's hub at Lambert Airport, which serves St. Louis. Flight attendants disrupted service by calling in sick.

Passengers who were stranded will get frequent flyer miles, travel vouchers and a letter of apology from the airline, a TWA spokesman, Jim Brown, said.

Workers at the Arc de Triomphe voted Tuesday to continue a strike that has closed the Paris monument to the public since Saturday, but they said they hoped a dispute over staffing would soon be resolved in ongoing talks with the Culture Ministry. (AP)

Dense fog cut visibility in the San Francisco Bay area to 100 feet or less, disrupting air travel Monday for thousands of people who were hoping to reach San Francisco, Oakland and San Jose, California. Forecasters said the severe fog would last through Wednesday. (AP)

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DENMARK/DOLLARS	1,450	1,250	55%
FRANCE/DOLLARS	1,450	1,250	55%
GERMANY/DOLLARS	1,450	1,250	55%
GREAT BRITAIN/POUNDS	1,450	1,250	55%
HONG KONG/DOLLARS	1,450	1,250	55%
ITALY/DOLLARS	1,450	1,250	55%
JAPAN/YEN	150,000	120,000	55%
MALAYSIA/DOLLARS	1,450	1,250	55%
NETHERLANDS/DOLLARS	1,450	1,250	55%
NEW ZEALAND/DOLLARS	1,450	1,250	55%
SPAIN/DOLLARS	1,450	1,250	55%
SWITZERLAND/DOLLARS	1,450	1,250	55%
USA/DOLLARS	1,450	1,250	55%

FOR OTHER COUNTRIES, PLEASE CONTACT YOUR NEAREST IHT OFFICE.

China Says 'No' to Future Balloonists' Flights

BEIJING — China said Tuesday it would refuse to allow hot air balloons attempting to circumnavigate the globe to pass through its airspace.

"Due to the problems that occurred when the balloon flew over China, China has postponed giving this kind of permission," a Foreign Ministry spokesman, Zhu Bangzao, said. He was referring to the balloon piloted by Richard Branson, Steve Fossett and Per Lindstrand flew over China last week.

"As for when we will give further permission to the next balloon, you can wait for notification by the Chinese side," he said.

The balloon mission led by Mr. Branson was reluctantly allowed to continue across China after it strayed into a no-fly zone over Tibet.

Beijing initially ordered the balloon to land in Tibet but changed its mind after a flurry of meetings and pleas from Britain.

Mr. Branson's round-the-world at-

tempt later failed when the team hit a trough of low pressure in the Pacific Ocean near Hawaii.

A circumnavigation attempt last February by the Swiss pilot Bertrand Piccard ended when his balloon was forced to land in Burma after Beijing refused permission to enter Chinese airspace.

Round-the-world balloonists need to benefit from the jet stream that traverses Chinese air space toward the Pacific Ocean at more than 200 kilometers (140 miles) per hour.

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Europe				Asia			
City	Today	Tomorrow	Day After	City	Today	Tomorrow	Day After
Amsterdam	12-15	10-12	8-10	Beijing	2-5	0-2	-2-1
London	10-12	8-10	6-8	Delhi	15-20	12-15	10-12
Paris	12-15	10-12	8-10	Hong Kong	22-28	20-25	18-22
Rome	12-15	10-12	8-10	Manila	22-28	20-25	18-22
Sydney	12-15	10-12	8-10	Seoul	2-5	0-2	-2-1
Tokyo	12-15	10-12	8-10	Taipei	22-28	20-25	18-22
Washington	12-15	10-12	8-10	Yokohama	2-5	0-2	-2-1
North America				Africa			
Atlanta	12-15	10-12	8-10	Cairo	15-20	12-15	10-12
Boston	12-15	10-12	8-10	Harare	15-20	12-15	10-12
Chicago	12-15	10-12	8-10	Johannesburg	15-20	12-15	10-12
Denver	12-15	10-12	8-10	Lagos	15-20	12-15	10-12
Los Angeles	12-15	10-12	8-10	Nairobi	15-20	12-15	10-12
Madrid	12-15	10-12	8-10	Reykjavik	15-20	12-15	10-12
Moscow	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
New York	12-15	10-12	8-10	Toronto	15-20	12-15	10-12
San Francisco	12-15	10-12	8-10	Winnipeg	15-20	12-15	10-12
Seattle	12-15	10-12	8-10				
Washington	12-15	10-12	8-10				
Middle East				Latin America			
Amman	12-15	10-12	8-10	Buenos Aires	15-20	12-15	10-12
Baghdad	12-15	10-12	8-10	Caracas	15-20	12-15	10-12
Bombay	12-15	10-12	8-10	Guatemala	15-20	12-15	10-12
Buenos Aires	12-15	10-12	8-10	La Paz	15-20	12-15	10-12
Calcutta	12-15	10-12	8-10	Lima	15-20	12-15	10-12
Cairo	12-15	10-12	8-10	Managua	15-20	12-15	10-12
Chennai	12-15	10-12	8-10	Medan	15-20	12-15	10-12
Dhaka	12-15	10-12	8-10	Montevideo	15-20	12-15	10-12
Delhi	12-15	10-12	8-10	Nairobi	15-20	12-15	10-12
Dhaka	12-15	10-12	8-10	San Jose	15-20	12-15	10-12
Dubai	12-15	10-12	8-10	Santiago	15-20	12-15	10-12
Hanoi	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Hong Kong	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Kuala Lumpur	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
London	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Los Angeles	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Manila	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Medan	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Montevideo	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Moscow	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Mumbai	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Nairobi	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
San Jose	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Santiago	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
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Seoul	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Shanghai	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Singapore	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Sydney	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Taipei	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Tokyo	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12
Yokohama	12-15	10-12	8-10	Sao Paulo	15-20	12-15	10-12

Legend: S=sunny, P=partly cloudy, O=overcast, SH=showers, H=heavy rain, F=fog

THE AMERICAS

Democrats' Hopes Fade for Pretrial Censure of Clinton in the Senate

By Brian Knowlton

International Herald Tribune

WASHINGTON — President Bill Clinton's supporters in the Senate acknowledged Tuesday that they were making little headway with proposals for censure of the president — rather than conviction and banishment from office on articles of impeachment — and they worked with Republicans to settle details of a Senate trial next week that has become all but certain.

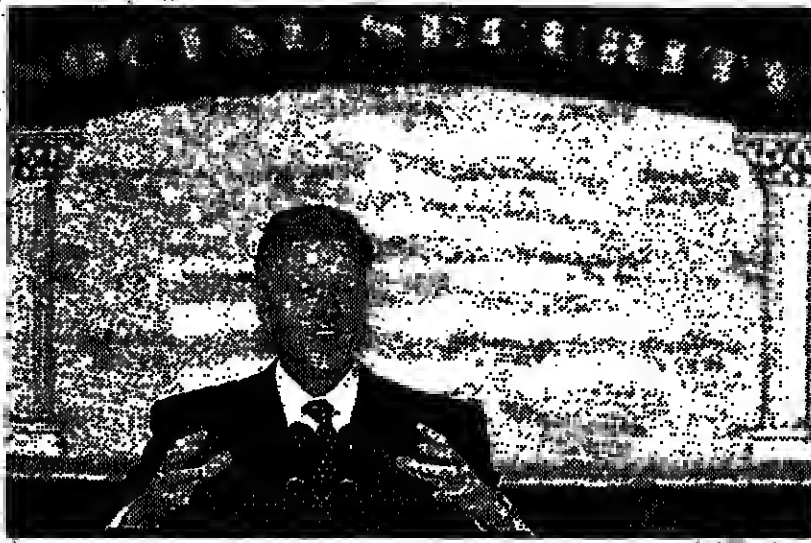
But as all parties scrambled to hammer out strategy and finalize procedure for only the second Senate trial of a president, it was clear that they had precious little precedent to guide them.

In an interview, Senator Trent Lott of Mississippi, the majority leader, urged Democrats to "calm down" and allow a trial to proceed, rather than seek to broker a censure agreement before evidence is heard, the Los Angeles Times reported Tuesday.

"We need to go forward and do our constitutional duty," he said.

The spokeswoman for the Senate minority leader, Senator Tom Daschle of South Dakota, said that there appeared to be little likelihood of a censure agreement before a trial begins.

"It does look as if the Senate will at least begin the proceedings, possibly as



Facing an almost certain Senate trial, Mr. Clinton has kept to his schedule.

early as next week," said the spokeswoman, Ranit Schmelzer.

Mr. Lott's comments do not foreclose the possibility that a censure proposal could be advanced after the new Senate begins its work Jan. 6, but leaders of both parties now indicate that they do not expect that. Instead, they have

spoken in recent days of a speedy trial, possibly lasting a few months.

Some Democrats had suggested that the Senate could dispense with the matter without a trial, simply by a majority vote to do so, probably in conjunction with a proposed censure. With Republicans holding a 55-to-45 majority,

Democrats could reach the needed 51 votes by gaining support from a few moderate Republicans.

Mr. Lott warned, however, that to negotiate a censure resolution that would command bipartisan support and withstand legal challenge would not be simple. Unless narrowly and carefully written, he said, such a rebuke could raise "all kinds of constitutional problems."

In the House of Representatives, the majority Republicans refused to permit censure to come to a vote, saying it was not provided for in the constitution. Democrats contended that the constitution did not specifically bar censure, and that by adding a fine or requiring a public apology by Mr. Clinton, it would constitute proper punishment for his attempts to conceal his intimate relationship with Monica Lewinsky.

The 13 House "managers" who will in effect prosecute the two articles of impeachment held an organizational meeting Tuesday.

All 13 are Republican members of the House Judiciary Committee and all are lawyers. They expressed conflicting opinions on one of the most basic issues of prosecutorial strategy: whether to call witnesses.

Their leader, Representative Henry Hyde of Illinois, the House Judiciary Committee chairman, is expected to ex-

plain the case for impeachment to the Senate as early as Jan. 7. He has said that the thousands of pages of sworn testimony included in the referral to Congress from Kenneth Starr, the independent counsel who investigated Mr. Clinton, make witnesses unnecessary.

Other members disagreed. "I think witnesses would be appropriate," said Representative James Rogan of California. He said on CNN that as a former federal prosecutor, presenting a case without witnesses worked only when the case was "a slam-dunk winner or a slam-dunk loser." The case against the president, he said, was neither.

The White House has had little comment on the question of witnesses.

It is also unclear how much of the available evidence — largely the 60,000-page referral from Mr. Starr — will be allowed into the Senate record.

Much of the uncertainty about the nature of a Senate trial owes to the fact that it is in many ways a political process, and deviates in dramatic ways from the judicial approach. Decisions about procedure and evidence will be decided not by precedent, law or a judge, but by vote of the 100 senators.

Mr. Clinton has kept a busy schedule in recent days and intends to continue doing so to stop any rumors that he is seriously depressed at having become

only the second president, after Andrew Johnson in 1868, to be impeached. His adamant refusals to step down appear to have quelled calls for his resignation.

White House lawyers have been holding daily strategy sessions. Top advisers have kept in touch with moderate Republicans who, they hope, might join with Democrats to end a trial.

Pro-impeachment Republicans kept the White House off balance during the impeachment proceedings by insisting that it not overtly lobby members of the House. They have done the same regarding the Senate, saying to do so would constitute "jury tampering."

Asked about the Democrats' position on the matter, Ms. Schmelzer, the Daschle spokeswoman, said: "Of course the White House needs to be informed as to how we're going to proceed, since of course it affects them. But the sense is that they should not lobby."

After Mr. Hyde presents the arguments for impeachment, the White House will be given time to respond. Only then, Mr. Lott said, could there be a vote on censure, or on the articles of impeachment.

To some extent, the length of a trial would depend on the White House. If Mr. Clinton's lawyers contest the facts of the case, a trial could take weeks. Otherwise, Mr. Lott said, the evidentiary phase could be dealt with in three days or less.

A New Boss Vows to Take Beleaguered UPI Upscale

By Felicity Barringer

New York Times Service

NEW YORK — Helen Thomas has covered the White House for United Press International since the Kennedy administration, but in recent years, as the once-proud news agency withered, one could search through hundreds of American newspapers without finding her byline or her copy. What readers she has are mostly scrolling through the World Wide Web.

Friends and colleagues ask Ms. Thomas, 78, what became of the organization that in its heyday was the first to tell the world about the assassination of President John F. Kennedy. She answers, ruefully, "I make it a point not to know." Then, with a mixture of defiance and verve, she adds, "My joy is that we're still in business and we're alive."

When she calls the office, she said, she is happy to know that "someone answers on the other end."

Not always the same someone, however. UPI, whose chief executives seem to have a shelf life only slightly longer than a piece of wire-service copy, has named Arnaud de Borchgrave as president and chief executive.

Mr. de Borchgrave, 72, who made his name synonymous with diplomatic reporting during 30 years at Newsweek and later edited The Washington Times, is rejoining a service that is a barely recognizable remnant of the globe-spanning wire service he worked for in 1947, when he succeeded Walter Cronkite as UPI's bureau chief in Brussels.

Except in Washington, Chicago and a few other cities, UPI correspondents work in "virtual bureaus" — meaning home offices, or perhaps at their kitchen tables — filing dispatches daily for clients that tend to be World Wide Web sites or local radio stations.

Counting interim managers, Mr. de Borchgrave will be the sixth head of the news agency since 1992, when it was purchased by Middle East Broadcasting Center Ltd., whose principal owner, Sheikh Walid al Ibrahim, is a brother-in-law of King Fahd of Saudi Arabia.

Mr. de Borchgrave inherits an organization that has lost \$120 million in five years, according to his predecessor, James Adams. The editor in chief, Susan Oiler, and Tobin Beck, a managing editor, say Mr. de Borchgrave will have a staff of about 150 journalists — one-tenth as many as it had in 1982 — and 200 stringers.

Mr. de Borchgrave said his goal was to take the news service "upscale" and to cover "critically important news that others are ignoring." The direction, he added, would be "nonideological."

"I was raised on issues. I was not raised on scandal," he said, adding, "What was going on in somebody's basement was never of interest to me."

As High-Class Living Moves Downtown, Denver Joins U.S. Shift

By James Brooke

New York Times Service

DENVER — From her fifth-floor apartment in a freshly converted flour mill, Dana Crawford surveyed the abandoned railroad yards at the core of downtown Denver and envisioned lofts and more lofts.

As carpenters built 350 apartments and bulldozers opened utility trenches for 3,500 more, Ms. Crawford, a developer, waved to a cluster of vacant red-brick warehouses near the freight tracks and predicted, "All these warehouse buildings will be turned into lofts."

Within a one-mile radius of Union Station, Denver's beaux arts historic core, the city is halfway through a decade-long downtown investment of \$1 billion in three sport stadiums, an aquarium and urban shopping complexes.

Following retail and entertainment, downtown is now embarking on an additional \$1 billion in residential construction. A total of 1,334 apartments are now being built or converted downtown, more than the total of the last four years.

Denver's move toward downtown living is part of a national trend, according to a new study of 24 large American cities by the Brookings Institution and the Fannie Mae Foundation research groups. In a reversal of a trend that started after World War II, in which inner cities lost population, each city forecast growth in the number of people living downtown.

By 2010, the study reported, downtown populations are expected to quadruple in Houston, to 9,500 people, to more than triple in Cleveland, to 21,000, and to nearly triple in Denver, to 9,250. Growth is also expected in bigger cities, with Chicago's downtown population forecast to increase by a third, to 152,000.

But the migration downtown is especially striking in Denver, a sprawling city of houses and low-rise buildings.

Denver fits the pattern of a Western automobile city, so for a Sun Belt city, what is happening here is very inspiring, said Brad Segal, an urban consultant who is on the board of the International Downtown Association, an organization of city

planners specializing in downtowns. Noting that delegations from cities as diverse as Albuquerque, New Mexico, and Baltimore have recently toured downtown Denver to get ideas, Mr. Segal added, "Most of the cities I work in want to be like Denver."

Planners caution that the move downtown, in Denver and elsewhere, is a minitrend in the face of continuing suburban expansion. Indeed, while the city of Denver's population grew by 2 percent, or 12,000 people, since 1980, to about 500,000 people, its suburbs grew by a third in the same time, adding 305,000.

But looking ahead, Mr. Segal and other urbanists believe that demographics and accumulated wealth are pointing to radical transformations in American downtowns in the coming decades. Virtually all the people moving into downtown Denver do not have children living at home. They are singles, childless couples or older people, the "empty nesters" whose children have left for college and careers.

By 2010, 72 percent of American households will not have children at

home, said Dao Nguyen, a research analyst who helped prepare the Brookings study.

In Colorado, the fastest-growing population segment in coming years is forecast to be households of people 34 years old and over.

In addition to the continuing transfer of wealth from the World War II generation to the baby boomers, a new change in tax is expected to help "empty nesters" cash out of the suburbs. Last year, a change in federal tax laws raised to \$500,000 from \$125,000 the portion of earnings from the sale of a primary residence that is free of a capital gains tax.

"An older couple can put half the money in a downtown apartment, and save the rest for travel or a second residence," said Larry Grace, regional vice president of Trillium Corp., a downtown developer in Denver.

Developers for Trillium plan to break ground next year for 700 apartments, the first of as many as 4,000 that are to be built over the next decade.

The apartment demand is there. A recent survey of a sample of the 110,000

people who work in downtown Denver found that 60 percent of those surveyed were interested in living downtown.

On the free market, prices have soared. In one decade, what was once known as Lower Downtown has been transformed from skid row to a neighborhood called LoDo, which is Denver's second-most-expensive housing market, after Cherry Creek.

"I wanted to get \$3,000-a-month rent," Mike McPhee said of renting his 1,900-square-foot (175-square-meter) LoDo apartment earlier this year when he moved to a smaller place. "The real estate agent brought in five different guys, none of whom had any trouble with that kind of rent."

Mr. McPhee's price was \$19 a square foot a year. In 1987, John Hick-enlooper, a downtown pioneer, rented commercial space in an adjacent building for \$1 a square foot a year.

LoDo's appeal comes from many factors: declining urban crime, rising congestion of suburbs, a powerful regional economy and a host of entertainment venues within walking distance.

POLITICAL NOTES

A Timely Pledge On Paying Elderly

WASHINGTON — President Bill Clinton says that the Social Security Administration has completely fixed all its computers so that elderly people will receive their monthly benefit payments on time, without interruption, in 2000.

In his most extensive remarks on the subject since July, Mr. Clinton said Monday that elderly people "can rest easy" because the Social Security agency had repaired its computers to deal with the year 2000 problem.

He did not address the situation at other agencies judged by the White House to be inadequately prepared for 2000. These include the Pentagon, the Energy Department and the agency that runs Medicare and Medicaid.

Mr. Clinton said the year 2000 challenge was "a stunning problem" for computer programmers. But he added: "The millennium bug will not delay the payment of Social Security checks by a single day."

The Social Security system is now 100 percent compliant with our standards and safeguards for the year 2000. To make absolutely certain, the system has been tested and validated by a panel of independent experts. The system works. It is secure, and therefore older Americans can feel more secure. (NYT)

Clinton Plans Action Over Child Violence

WASHINGTON — President Clinton, taking new steps to combat

violence against children, on Tuesday proposed defining murder to include the death of a child resulting from a pattern of abuse.

"It's time to send a message through the court that when a man assaults or kills someone in the presence of a child he has committed not one horrendous act but two," Mr. Clinton said. "Time to ask why a bank robber who unintentionally kills an innocent bystander can be charged with felony murder, but a repeat child abuser who unintentionally kills a child cannot be."

Mr. Clinton, who announced his "Children Exposed to Violence Initiative" in a Roosevelt Room ceremony with law enforcement officials, said a child who experiences serious violence was 50 percent more likely to be arrested as a juvenile and nearly 40 percent more likely to be arrested as an adult. They are also at greater risk for substance abuse, mental illness and suicide.

"If you want to keep the crime rates going down, you have to do more to break the cycle of violence to which children are exposed," he said. (AP)

Quote/Unquote

President Clinton, as he announced that Social Security Administration computer could handle the Y2K computer bug: "I was describing this Y2K problem to Hillary, and she got so technophobic that I gave her a little digital alarm clock for Christmas and she gave it back to me after I talked to her about it and she said, 'Why don't you just go get me one that winds up that I can change in my hand?'" (Reuters)

Away From Politics

• Prosecutors are to seek the death penalty for two men accused of killing a gay University of Wyoming student. Aaron James McKinney and Russell Arthur Henderson, both 21, are accused of pistol-whipping Matthew Shepard, 21, and tying him to a fence. He died five days later, on Oct. 12. (AP)

• Students participating in California's class-size reduction program fared modestly better on last spring's state reading and mathematics tests than those who did not, data shows. In third grade, for instance, 41 percent of students in classes limited to 20 pupils scored at or above the national average in reading, compared with 33 percent in larger classes, preliminary analysis of statewide test data shows. (LAT)

• The U.S.'s largest nonprofit health maintenance organization has agreed to keep paying the costs of prescribing Viagra for Californians after an inquiry into whether the company had broken state law. The state Department of Corporations, which oversees HMOs, began investigating Kaiser Permanente after the firm announced it would not cover Viagra starting in 1999 because of its potential cost. (AP)

• Fewer police officers were killed in the United States this year, but the number of deaths remains high despite a dramatic drop in the overall crime rate, according to preliminary statistics. During 1998, 155 federal, state and local law enforcement officers were killed compared to 160 last year, said the Na-

tional Law Enforcement Officers Memorial Fund and the Concerns of Police Survivors. (Reuters)

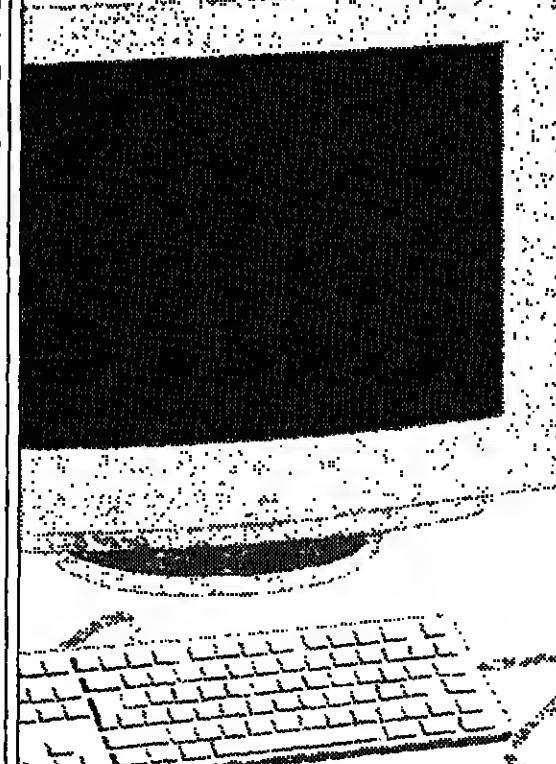
• North Carolina sued the U.S. Environmental Protection Agency on Monday to block air-quality rules intended to cut by almost 30 percent the state's generation of smog-causing nitrogen oxide. The state challenged the tougher federal requirements in part by contesting claims that air pollution from North Carolina contributed to smog in the Northeast. (AP)

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Herald Tribune

THE WORLD'S DAILY NEWSPAPER

Inquiry Ties Suharto To Public Funds Loss

Government Reveals \$205 Million Hole And Suspects His Family and Associates

JAKARTA — The government announced Tuesday that it had found hundreds of millions of dollars in corruption linked to the family and associates of former President Suharto and possibly his successor, B.J. Habibie.

But it urged Indonesians to be patient over the lengthy investigations into possible graft by Mr. Suharto, whose autocratic rule of 32 years ended in May in the face of mounting social and economic crisis.

The government losses are 2.85 trillion rupiah in rupiah terms and \$205 million in dollar terms, Mr. Hartanto, coordinating minister for development and administrative reform, said after he and seven other ministers met with Mr. Habibie to discuss the issue.

"Yes," Mr. Hartanto replied when asked if most of the losses were linked to the former ruler's family and associates.

The announcement came after the attorney general's office questioned one of Mr. Suharto's sons for three hours over alleged corruption in a foundation headed by the former leader.

Bambang Trihatmodjo was quoted by officials as denying that any of the money belonging to the charitable foundation, of which he was treasurer, had been siphoned off.

Analysts say Mr. Suharto's family amassed billions of dollars during his now discredited reign and there have been mounting calls for him to stand trial for alleged corruption.

Forestry Minister Muslimin Nasution, among those who met Mr. Habibie, said decrees issued during Mr. Suharto's rule had allowed money set aside for reforestation to be used by companies.

One of the companies was the state airplane manufacturer, long headed by Mr. Habibie.

The ministers listed scores of projects involving state companies that were being canceled or retendered. Twenty-four toll road projects alone have been dropped, nearly all of them involving a company headed by Mr. Suharto's eldest daughter, Siti Hardianti Rukmana.

The official Antara news agency earlier quoted State Minister of Agrarian Affairs Hasan Basri Durin as saying the former president and his family controlled more than 200,000 hectares (490,000 acres) of property in Indonesia.

Mr. Hartanto, who calculated that the cancellations so far would save the government more than \$1 billion, said the investigation into corruption was continuing and more results would be announced in March.

Mr. Suharto was questioned early this month and a number of his relatives and business associates have been probed. But so far, no charges have been laid against any of them despite growing public fury over the lack of progress in the investigations.

"Investigations into Mr. Suharto are continuing," Attorney General Andi Ghalib said. "We need to check and get information from other people whether Suharto is corrupt. This needs time. People need to be patient."

2 Police Stations Burned

At least 800 people burned two police stations on Sumatra during a protest against the death in detention of a fellow villager, The Associated



Bambang Trihatmodjo, second son of Suharto, leaving the Jakarta attorney general's office Tuesday.

Press reported Tuesday, quoting police reports.

Nine policemen and at least two villagers were injured in the clash Monday in Liwa, 300 kilometers (180 miles) northwest of Jakarta. Officers fired warning shots to disperse stone-throwing rioters who attacked a third police post.

Calm returned, meanwhile, to the Sulawesi island town of Poso on Tuesday after fighting between mobs that was sparked by weekend

brawls involving gangs of youths. At least 150 people were injured in the clashes Monday, said Dr. Abram, a physician at the local hospital in Poso.

The violence in Liwa broke out after the death of a villager, identified as Sanin, who had been detained for questioning in a robbery

case. A preliminary autopsy indicated that Sanin committed suicide, the police chief, Lieutenant Colonel Tri Parnoyo Kartiko, said by telephone.

Rumors spread, however, that the police had killed him and residents took to the streets in protest.

They were also angry over the detention of another man in the same case.

BRIEFLY

Singapore Opposition Tests Waters

SINGAPORE — Although threatened by the police, one of Singapore's few opposition party leaders gave a public speech Tuesday, saying all other avenues for disseminating information had been blocked by the government.

"The constitution of Singapore guarantees the freedom of speech, assembly and association," said Chee Soon Juan, 36, secretary-general of the Singapore Democratic Party. "I'm exercising that right as a fellow citizen of Singapore and a member of a political party."

Standing on a lawn at Raffles Place in Singapore's business district, Mr. Chee drew a crowd of more than 250 people to hear his hourlong speech criticizing the government's economic, human rights and foreign affairs policies.

Superintendent Low Hui Hui of the central police station warned Mr. Chee three times before he started speaking at the Criminal Investigation Department violates the Public Entertainment Law. The police tried to serve the politician with a summons to appear for questioning. Mr. Chee refused to take it, however, and told the crowd that he intended to speak at the same place and time next week. (AP)

Japan Still Aims for a Coalition

TOKYO — Prime Minister Keizo Obuchi and a key opposition leader agreed Tuesday to keep working toward a coalition government, although they were unable to overcome differences that still threaten to end talks.

Mr. Obuchi and a Liberal Party leader, Ichiro Ozawa, tentatively agreed in November to work toward a coalition government — a critical move in efforts by Mr. Obuchi's Liberal Democratic Party to secure its hold on power. "If our policies and views are not realized, then I'd like to scrap our initial agreement," Mr. Ozawa said after a late-night meeting at the prime minister's residence. Despite the words of warning, both sides confirmed their commitment to keep trying. (AP)

2 Chinese Dissidents Sentenced

BEIJING — Two U.S.-based Chinese dissidents who sneaked back into China were caught by police and sentenced without trial to three years of forced labor, the Foreign Ministry said Tuesday.

In the first official statement on the whereabouts of Zhang Lin and Wei Quanbao since they slipped into China seven weeks ago, the ministry said the police arrested them Nov. 12 in the southern city of Guangzhou.

The ministry said the two men, who had been living in exile in the United States, confessed to hiring prostitutes and evading border police by hiding inside a truck from Hong Kong on Nov. 11. For those alleged crimes, both were sentenced to three years of "labor re-education" — the maximum sentence police can order without a trial. (AP)

Suspect in Arsenic Deaths Indicted

TOKYO — Police investigating the deaths of four people at a July festival said Tuesday they had indicted a former insurance salesman on charges of murder and attempted murder by poisoning.

Masumi Hayashi, 37, is suspected of putting arsenic into curry served at the festival in the western Japan town of Sonobe on July 25. Besides the four who died, 63 people became ill. Mrs. Hayashi and her husband, Kenji, 53, have been in custody since October for an alleged insurance scam involving the use of arsenic. (Reuters)

Split Threatens Hong Kong Democratic Party

HONG KONG — The leader of Hong Kong's largest political party admitted for the first time Tuesday that the party had internal divisions that could cause a split.

The Democratic Party chairman, Martin Lee, told the Ming Pao daily that there was a possibility of a split amid tensions between its leaders and what he called "young Turks" pushing for it to focus on the grassroots concerns of Hong Kong's poor and its working class.

"Some have suggested the party should take to the streets and not waste time in the legislature because we can't win there,"

He added at a news conference Tuesday that the system was "against us, and Tung's administration doesn't want to deal with us."

He blasted Chief Executive Tung Chee-hwa for favoring the pro-China Democratic Alliance

for betterment of Hong Kong and using it to undermine his party by encouraging radicalism.

"Everyone must respect the rules of the game, but the government has gone against the rule, how can we continue to play?" he said.

Some analysts said the split was also a result of disagreement within the opposition party's leadership over its strict anti-Beijing line, which some voices said should be abandoned in favor of direct dialogue with the Chinese authorities.

Mr. Lee's party won 60 percent of votes in legislative elections in May, but because of an electoral system designed by Beijing it holds only 13 seats in the 60-seat legislature.

Mr. Lee said the party would try to resolve discontent over its policies on labor and social issues at its annual general meeting next month.

"I don't think the Democratic Party is going to split up," Mr. Lee said. "A party can't forever

speak in one voice. If a party always has only one opinion, I think that would be frightening."

"We can see it on the mainland," he added, referring to China.

Joseph Cheng, an independent political commentator at the City University, said that a Democratic Party split was "inevitable," but that it was too early to say when. "There is no question that there are differences within the party, with some wanting to improve relations with China to seek recognition and establish official dialogue, while others don't believe in it," Mr. Cheng said. "There is a possibility the party will form into several factions."

Leung Yee-ping, a commentator in the pro-China Wen Wei Po daily, said "The party has no market for its anti-China line after the handover. The party is at a cross-road."

(AFP, Reuters)

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Daily Diet of Death Numbs Karachi

Violence and Killings Spread From Slums to Wealthiest Neighborhoods

By Dexter Filkins
Los Angeles Times Service

KARACHI, Pakistan — This city's long slide into anarchy has left its people too exhausted to pity even the dead.

At the Jinnah Medical Center, the burned and mutilated corpses that arrive many nights prompt little more than the lighting of a cigarette.

"In the beginning, it affected me," said Dr. Shahab Junejo, an emergency room physician. "Not now. You get used to it. Not even the families cry anymore."

This South Asian seaport of 14 million people is engulfed by a wave of violence that has left more than 800 people dead this year — with many victims hideously disfigured. Although most of the killing is rooted in the tangled politics of Karachi's slums, the violence has begun to reach into the city's wealthiest neighborhoods.

After the slaying of a prominent philanthropist in late October, Prime Minister Nawaz Sharif dismissed the provincial assembly and imposed emergency rule.

Mr. Sharif ordered the army to take over the courts and heavily armed rangers to sweep the streets in armored cars. Dozens of people have been arrested, many without charges, and criminal suspects have died in police custody. Dozens more have been killed in murky circumstances referred to by the police as "encounters."

Although the harsh measures have slowed the pace of killing, few people here believe that the calm will continue for long.

Karachi suffered through similar rampages in 1992 and 1995. But this time, Karachi residents say, there is a widespread collapse of confidence in Pakistan's leaders — some of whom have been implicated in the violence and corruption they have pledged to end.

With the nation's economy in shambles and Islamic fundamentalists on the march, many Pakistanis fear that the country's 10-year-old experiment with democracy — hard won after years of dictatorship — is coming to an end. A public mood once sustained by measured hope has sunk to a cold despair.

"We fought so hard to bring democracy to this country," said Ghazi Salahuddin, a newspaper columnist harassed during the military regime of President Mohammed Zia ul-Haq in the 1980s. "We did not know that there would be a time when we no longer believed in the future."



A bus burning in Karachi on Tuesday. Violence has claimed over 800 lives this year.

Every day offers fresh evidence that the rule of law has disintegrated. When a team of Colombian anti-terrorism experts embarked on a tour of the city, their armored car came under machine-gun fire and had to retreat. After the police announced a string of arrests in the slaying of Hakim Saeed, the philanthropist, two of the suspects died in police custody. In November, two members of the provincial assembly were arrested on charges of hoarding illegal weapons.

Newsline, a respected magazine, has taken to running a monthly feature called "Death File," which tallies the number of people slain in the city. Early in December, after another death added to the tally and eight people were wounded in ethnic strife, police swept through the city and arrested 25 suspected militants.

People do not even feel safe with the police. "When this happens to you, you are no longer a

man," said Mohammed Zubair, who said his genitals were damaged during a police interrogation. Mr. Zubair, a 27-year-old government driver, said he was picked up in October on suspicion of terrorist-related activities and released without charges after his family paid a bribe of about \$150.

At the center of the violence is a battle between government security forces and the Mohajir Qami Movement, or MQM. The MQM is the party of the Muslim immigrants who fled India after Britain abandoned the Subcontinent in 1947.

Most of the Mohajirs migrated to Karachi, Pakistan's largest city and its commercial heart. Because they were often better educated than the city's native residents, resentment against the Mohajirs grew, and they have remained largely isolated from Pakistani society.

MQM leaders say the Mohajirs of Karachi have never gained acceptance because their urban party undermines the feudal land barons who have long exercised dominance in Pakistan.

"We are outsiders here," said Farooq Samar, deputy chairman of the MQM. "The oligarchy is threatened by us."

In the late 1980s, the con-

front between the Mohajirs and other Pakistani groups turned violent, and since then the police and military have periodically orchestrated vicious crackdowns. In the worst year — 1995 — 2,000 people were killed in Karachi.

The MQM began as a political party and has helped rule the country and the province of Sindh, whose capital is Karachi. Yet as it was drawn into the street violence, the party developed a criminal wing specializing in extortion, say human rights workers and diplomats. Some of its leaders, including members of the Sindh assembly and the MQM's exiled leader, Jafar Hussain, have been charged with murder.

In October, Prime Minister Sharif accused the MQM of involvement in the slaying of Mr. Saeed — and the MQM responded by pulling out of the Sharif-backed coalition government in Sindh province.

The next day, Mr. Sharif imposed direct rule.

Much of the recent violence stems from shoving matches between the MQM and a breakaway faction known as "Haqiqi" — "the original." According to diplomats and human-rights groups, the government security forces helped create Haqiqi as a counterweight to the MQM.

Calm Prev
Monitors

مكتبة الأمل

EUROPE

Calm Prevails in Kosovo

But Truce Monitors 'Cannot Really Predict Future'

PRISTINA, Serbia — International monitors said Tuesday that a restored cease-fire in Kosovo between Serb security forces and ethnic Albanian rebels was holding firm, and NATO warned both sides not to resume fighting. "There are no reports of shooting or anything," said Jorgen Grunnet, the spokesman for the international monitors. "We cannot really predict the future here, but I certainly hope the cease-fire will hold."

In Brussels, the NATO secretary general, Javier Solana, reiterated warnings that the alliance was ready to use force if the situation in Kosovo deteriorated. In a brief statement issued from North Atlantic Treaty Organization headquarters, Mr. Solana urged all parties to maintain the cease-fire. "NATO is ready to intervene if the situation requires," the statement said.

The fighting, which started Thursday and went on for four days, ended when the commanders of both sides agreed to a cease-fire. The Organization for Security and Cooperation in Europe, at least 18 people were killed and several wounded in the violence, the worst since a truce between Serb security forces and guerrillas of the separatist Kosovo Liberation Army was reached in October under U.S. mediation.

On Tuesday, Yugoslav Army vehicles could be seen along the road between the regional capital, Pristina, and Podujevo to the north. Several soldiers lay in a ditch along the road, which was the scene of some of the fiercest clashes last week. But there was no shooting.

"The situation within the last 24 hours has been assessed as relatively quiet," said Sandy Bly, a spokesman for the monitors. "In the Podujevo area the situation is obviously tense."

Monitors said four bodies were found Tuesday. In Mitrovica, west of Podujevo, two people were found dead just off the road to Pristina, Mr. Bly said.

The Serb-run Media Center said both were killed by ethnic Albanian separatists, but could not say when.

Mr. Bly confirmed that another two men were killed in the southern town of Prizren. They were former police officers in a security force established this year by Serbian authorities and composed of local ethnic Albanians.

The Media Center said they had been killed Monday. Mr. Grunnet said the latest violence consisted of local skirmishes. "There was no all-out war," he said.

Foreign Minister Bronislaw Geremek of Poland, current head of the European security organization, said Sunday that if the violence worsened, the organization would have to reconsider the nature of its mission.

But Wolfgang Petritsch, the European Union's Kosovo envoy, said Monday that the verifiers would continue to be deployed and that the mission was evolving all the time. The verifiers now number more than 500 out of the 2,000 who will make up the full mission.



Kosovo separatists standing guard Tuesday at the funeral of a rebel in Obranca.

CYPRUS: Island Cancels Deployment of Russian S-300 Missiles

Continued from Page 1

tab might be picked up by Greece or other NATO countries, such as the United States or Germany, now that the weapons seem destined for Greece and might therefore count in the NATO inventory.

Turkey was not alone in objecting to the Greek Cypriot order for the S-300 missiles, an advanced system which carries the NATO code name "Grumble" and whose radar system is so sophis-

ticated that it would require the presence of Russian military personnel to operate on Cyprus. The system would have been able to track the movement of NATO aircraft as far away as the Balkans.

NATO governments had therefore urged Greece to help find a face-saving way to avoid bringing the weapons to Cyprus. The decision was largely in the hands of Mr. Klerides, who met Tuesday in Athens with Prime Minister Costas Simitis of Greece and returned to Cyprus

to rally support among political parties for the Cretan solution.

In ordering the missiles in 1997 as a gesture affirming their right to self-determination, the Greek Cypriots' real motives, diplomats said, probably had more to do with hopes of forcing European governments to step up efforts to settle the Cyprus problem, which has festered since 1974, when a Greek Cypriot coup triggered a Turkish invasion that led to the partition of the island.

GERMANY: Schily Portrait

Continued from Page 1

old German system of being subject to authority. Germany in the 1950s was a repressive society. It took a long time even to talk of certain things, and perhaps it is only recently that we have achieved a true democratic opening and overcome our fear of change."

As interior minister, Mr. Schily will oversee one of the decisive changes proposed by Mr. Schroeder's government: the scrapping of old immigration laws based principally on German stock or bloodlines and the introduction of legislation to enable many of the 7.4 million foreigners to become citizens. That number now includes many children born to immigrants in Germany.

This shift, with its implicit acknowledgment of the country's multi-ethnic makeup, seems likely, over time, to alter Germany's self-image. For Mr. Schily, it is a step "of historic dimensions." But he says this with a relaxed smile, one that says change is in the nature of democracy — a normal thing, part of the ebb and flow of politics.

He is among the many Germans who have followed their country from Allied tutelage to independent statehood, to the first stirrings of unrest, to Willy Brandt's memorable call in 1972 for "risking more democracy" to prosperity, unification and, at last, the freedom that lies in the conviction that the country has earned the right to chart its own course.

But that freedom, for the interior minister, clearly comes with a keen sense of responsibility. Mr. Schily is no starchy-eyed reformer. Listen to him on the subject of admitting new immigrants: "We have reached the limits, the point where we have to say we cannot bear any more. The majority of Germans agree with me: zero immigration for now. The burden has become too great. I would not even dare publish the costs that stem from immigration. The Greens say we should take 200,000 more immigrants a year. But I say to them, show me the village, the town, the region that would take them. There are no such places."

In other words, as Germany sets about offering citizenship to foreigners already inside the country, who amount to about 9 percent of the population and constitute by far the largest number of foreigners in a European state, it is not about to open its doors to others. Germany, for Mr. Schily, must be tolerant but not permissive.

The interior minister has long walked such fine lines, formed by the tension between impulse and rigor.

Born into a distinguished family — his father was a prominent industrialist and another forebear, Victor Schily, was a close friend of Karl Marx — he spent his adolescence during the war in Bavaria. The family opposed Hitler, and Mr. Schily recalled the Nazis storming into the family home in 1941 and ripping up books.

After the war he moved to West Berlin, studied law, and set up practice in a conservative law firm. Here, in the



Otto Schily, who typifies the new German subtlety.

rarefied atmosphere of a city that became a magnet to artists and intellectuals, he found that the idealistic view of the United States he had formed during the war was progressively eroded by Vietnam and by American support for what he called "the Shah's police state in Iran."

On June 2, 1967, he went to a demonstration in Berlin against the violation of human rights in Iran. A student, Benno Ohnesorg, was shot dead by police. Shocked and outraged, Mr. Schily, then 34, decided to represent the student's family.

A latecomer to politics, Mr. Schily worked with Petra Kelly as a founding member of the Greens in the late 1970s and was a party spokesman when it first entered the legislature in 1983.

He had been moved to help forge the party by an interest in ecology and a desire to open up Germany's relatively closed political system, rather than by strong support for the pacifism espoused by the Greens. "We opened up a closed shop," he said, "and that in itself was a critical catharsis for Germany."

But the sharply dressed lawyer, dealing in the real world with a strong streak of pragmatism, was always something of an anomaly among the tree-hugging Greens. Mr. Schily became impatient with the party's egalitarianism — "Promis" (prominent people) were always suspect — and with the refusal of the party's "Fundis" (fundamentalists) to confront the realities of the fight for political power. He finally abandoned the Greens in 1989 and joined the Social Democrats.

Today, his relations with the Greens are uneasy, strained by his hard-nosed statements on further immigration.

"How can you be liberal to foreigners who are here, and so hard to those who want to come?" said Cem Ozdemir, a Green legislator of Turkish descent. "Mr. Schily's policy is going to create the impression of a double standard, and I fear that prejudice will be reinforced."

But the interior minister seems unlikely to change his stance to placate the Social Democrats' junior coalition partners. Like Mr. Schroeder, he knows that even in a changed Germany, the middle ground remains important. To have suggested so long with the left is to know the power of German conservatism.

"It is not a question of being immigration-friendly, or immigration-hostile," Mr. Schily said, his eyes glinting. "It is merely a question of reality."

RUSSIA: As Once-Proud Military Deteriorates, Thousands of Conscripts Flee Hazing and Abuse

Continued from Page 1

During the autumn draft season in St. Petersburg and the rest of Russia, tales told by young men like Volodya were making it difficult to fill quotas. Recruiters complained that health certificates were forged, illness being one way to avoid the draft.

After exemptions are handed out for schooling and other reasons, the leftovers are often ill-suited for army service, they say. Draftees say recruiters will likely exempt them for a \$2,000 bribe. Doctors on the take will provide fake diagnoses for about the same price.

Russia's 1.2-million-member army is fed with 150,000 new draftees every six months. No one seems to have exact figures for the number of draft evaders, although only about half the conscripts actually end up in the service, said Alexander Uzhanov, a Defense Ministry spokesman. About 15 percent do not bother to respond to draft notices and an additional 20 percent try to get out on health grounds.

Mr. Uzhanov could not account for the rest. Command-

ers complain that drug addicts, alcoholics and criminals are being admitted to the army in large numbers.

The Defense Ministry says 42,000 deserters are on the lam at any time.

Defense officials are defensive or dismissive about complaints that the service is brutal. But hardly a month goes by without some scandal involving soldiers reaching the public eye.

Last month on a base near Volgograd, two captured soldiers who had been absent without leave were punished with confinement in a pit on a firing range. Overnight, the hole collapsed, burying them alive. One of the soldiers died before they were discovered; the other survived.

In September, a sailor on duty aboard a nuclear submarine shot and killed eight of his comrades, then shot himself. Officers said he was "mentally unfit"; friends said he had been hazed.

During the draft call last spring, Russian television broadcast a videotape that has left an indelible image on the national consciousness. In a sadistic hazing ritual, burly

older men marched down a row of junior soldiers and kneed each one in the chest. In response to orders to stop such assaults, commanders at a base in the northern Caucasus require soldiers to strip for inspection every week.

That way, the officers can check for bruises hidden by clothing — and the recruits' fearful silence.

"I volunteered," said Volodya of his five-month career in a unit of the railroad troops, which provide security along Russia's vast locomotive network.

"The grandfathers wanted money. They didn't care how I got it — stealing, begging. When I didn't pay, they hit me in the chest. Kicked me around the room. The officers in charge, they looked the other way."

Volodya's eyes shifted nervously to one side. The sound of shuffling footsteps behind him on the ice-glazed sidewalk made him fidget. He lives a life of suspicion and hides at a friend's house. On occasion, he borrows a neighbor's baby and takes it for a stroll just to get outside.

"It's camouflage," he said sheepishly. "Police don't

stop you if you're tending a child."

He was visiting the offices of the Soldiers' Mothers Committee, a St. Petersburg organization with roots in protests against the war in Chechnya.

Earlier, mothers of soldiers missing in Chechnya came to the committee for help in reclaiming their sons, dead or alive. Now, mothers and sons come to learn ways to avoid the draft.

The Mothers hold Saturday seminars on draft evasion. Ella Poliakova, the co-chairman, opened a recent lecture with a brief eulogy for Private Sergei Floch, a slender 18-year-old who, according to his officers, hanged himself with his leather belt in a bathroom at his barracks.

Mrs. Poliakova investigated and found the explanation wanting. Private Floch had written plaintive letters to his parents that told of beatings and abuse. "Don't let my brother join the army," he implored.

Mrs. Poliakova and an assistant inspected the zinc box that held Private Floch when his body was returned to St. Petersburg and found that

Private Floch was not dressed in his own uniform. He bore slashes on his neck and scratches on his hands.

At the base, Mrs. Poliakova said, soldiers told her that a barracks bully had been arrested and spirited off to an unknown location the day Private Floch's body was found. An initial death certificate included descriptions of blows to the head and internal injuries. Then another certificate was issued saying his death was caused by hanging.

"You see," Mrs. Poliakova told the audience matter-of-factly, "if it is a suicide, the army does not have to pay for the burial. So it is always a suicide."

According to Defense Ministry statistics, 481 soldiers took their own lives last year.

Mrs. Poliakova tacked Private Floch's picture above a makeshift altar beneath a picture of Mary and Jesus. She handed out draft evasion handbooks to her audience. The mothers and sons first hesitated, then gingerly opened the books when Mrs. Poliakova pointed out the ailments that, if certified by a doctor, can earn an exemption.

"People don't know the law, or if they know it, they don't believe in it," said Mrs. Poliakova. "Here, we are trying to make every family a defender of human rights."

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Euro Promise and Peril

The creation of the euro — combining 11 currencies, including the deutsche mark, the French franc and the Italian lira — is a historic milestone on the path toward European union. It will push European countries to adopt more similar economic policies while depriving individual nations of significant powers that they now enjoy. At the same time, it will lead to political rift within the Continent.

For a couple of years the change will be completely apparent to travelers, as national currencies will continue to circulate. But as of Jan. 1, those currencies will legally be units of the new euro, as dimes are units of dollars. By mid-2002 the old currencies will vanish to collectors' vaults, and only euro coins and bills will be legal tender.

The euro is likely to join the dollar as a reserve currency held by central banks around the world, perhaps leading some banks to sell dollars and thereby reduce the value of the American currency. But the United States and other countries will benefit if the euro helps to promote economic growth on the Continent.

At the same time, the change is fraught with peril. National governments have given up substantial amounts of sovereignty to make the change, often without real involvement by voters. Only two countries chose to put the issue to popular referendums. It narrowly passed in France and was defeated in Denmark, which stayed out. Other countries approved it through parliamentary votes.

By making it easier to do business throughout Europe, the euro is likely to stimulate mergers, particularly in the financial services industry. The euro may encourage countries to compete for industries by offering tax breaks, much as the states do in America. Finally, the euro will put pressure on

governments to relax business regulations. For example, companies may henceforth have much greater freedom to dismiss workers.

Such a course seemed attractive to the conservative governments that set Europe on the path to monetary unification, but it is less enticing to the more leftist governments that now hold sway in many countries.

Even as the euro is inaugurated, fights are brewing over the European Union's budget, particularly its generous agricultural subsidies, and over the amounts paid by each country. Oscar Lafontaine, the new German finance minister, is worried about what he calls "unfair tax competition" from some countries in Europe, and wants European rules setting minimum tax levels. That might reduce the risk of Germany's losing companies to Ireland, but it would also lessen Europe's international competitiveness.

The new European Central Bank, legally independent from national governments, faces the difficult job of setting a single monetary policy for a diverse continent that could be seeing strong growth in one region while another is weak.

The challenge for Europe will be greatest in the next cyclical downturn. There is a risk that one country or another could elect a government which blames its economic problems on European Central Bank policies over which it has no control, and threatens to withdraw from the currency union unless changes are made. The rules that Europe has adopted say that no country can withdraw from the union once it enters, so such a threat would create a crisis. There is no risk of that in the immediate future.

With luck, the arrival of the euro will improve European economies, enhance European cooperation and promote world growth.

—THE NEW YORK TIMES

Milosevic Is the Problem

As the Serbian strongman Slobodan Milosevic violates the truce in Kosovo more and more flagrantly, attention naturally turns to the dimming prospects for peace in that independence-minded province of Serbia. But just as dangerous to future prospects is what Mr. Milosevic is doing to his own people in Belgrade and throughout Serbia. His crackdown against free speech, free press and free academic study only confirms that he can never be a partner in promoting stability in Kosovo or anywhere else in the region.

Thanks to a fractured opposition, to his own strong-arm tactics and to the dominance of his political party in economic life, Mr. Milosevic already has managed to squelch most dissent in his increasingly impoverished nation. But in recent months he has moved to stifle any surviving independent voices. University professors are screened for loyalty; those who will not huddle under lose their jobs. The rebroadcast of Radio Free Europe programs has been banned. Any local newspaper or magazine that does not parrot the xenophobic government line is hit with huge fines and forced to close.

A case in point is Evropljanin, until

recently Serbia's best-selling magazine. The magazine ran an article, co-signed by publisher Slavko Cuvujica, that criticized Mr. Milosevic. That was enough. The regime imposed a prohibitive fine, seized the magazine's computers, even went after the furniture and other personal property of the magazine's editors. This crackdown began as U.S. diplomats were negotiating with Mr. Milosevic on the subject of Kosovo. "Every time they deal with him, they abandon us to his mercy," notes Mr. Cuvujica. "He can't be a guarantor of peace, he can be only a generator of crisis."

Finally there are signs that U.S. officials are recognizing this truth. President Bill Clinton, in a Dec. 3 letter to congressional leaders, said that "the unacceptable actions and policies of Belgrade authorities in Kosovo and in the areas of human rights, democratization and war crimes investigations... threaten to disrupt progress in implementation of Dayton and security in the region generally." Mr. Clinton is right. Now he needs to do much more to act on his conclusion by supporting democratization in Serbia.

—THE WASHINGTON POST

CIA Budget Secrets

Last year the CIA disclosed for the first time the aggregate intelligence budget for the United States. The release came in response to a Freedom of Information Act lawsuit by the Federation of American Scientists. The CIA revealed that the government spent \$26.6 billion in fiscal 1997 on intelligence-related activities. The figure rose to \$26.7 billion in 1998. Now, however, the CIA is refusing to release the intelligence budget request for 1999 and is vigorously opposing a suit which is seeking that information.

Intelligence chief George J. Tenet, in a declaration filed in the case, argues that disclosure of the budget request "reasonably could be expected to cause damage to the national security and would tend to reveal intelligence sources and methods." Mr. Tenet contends that disclosure, in combination with the previous budget numbers, "provides a measure of the administration's unique critical assessment of its own intelligence programs." Disclosure also could, he contends, "assist foreign governments in correlating specific spending figures with

particular intelligence programs." The budget request, on its face, should be less threatening to national security than the amount of the expenditures. At the same time, it is a critical figure in any public policy debate about the intelligence budget, because it involves pending public policy questions, rather than merely describing expenditure levels already fixed.

As for the claim that the request is a unique window on the government's self-assessment, agencies generally ask Congress for more money. The bipartisan Commission on the Roles and Capabilities of the United States Intelligence Community recommended in 1996 that the government disclose both the request and the appropriation every year, stating that such disclosure can be done "in a manner that does not raise a significant security concern."

The unwillingness to disclose the budget request smacks of reflexive government secrecy and of an unreadiness of the agency in subject itself to the most rudimentary public accountability. The CIA should reconsider.

—THE WASHINGTON POST

Look Out, the Great American Boom Can't Last

By Robert J. Samuelson

WASHINGTON — I spent most of 1998 being wrong, at least about the U.S. economy. Everyone should hope that my record in 1999 proves equally poor, because I have been prophesying the end of the Great American Boom of the 1990s.

It could not withstand foreign recessions, an overvalued stock market and overextended consumers. It would inevitably slump, and a U.S. recession would then worsen already weak overseas economies.

All this did not happen in 1998. I think it probably will in 1999.

This fatalism may betray stubbornness or stupidity. I prefer to think that the economy fits Stein's Law, coined by the economist Herbert Stein of the American Enterprise Institute: "If something cannot go on forever, it will stop."

At least two aspects of the boom, I suspect, cannot last forever. One is the huge surge in stock prices, which as of Dec. 24 were up 27 percent in 1998, as measured by the Standard & Poor's Index of 500 stocks. This follows gains of 34 percent in 1995, 20 percent in 1996 and 31 percent in 1997.

The second thing that cannot con-

tinue indefinitely is the national shopping spree. The consumer savings rate is usually 4 to 6 percent of disposable income. In 1998 it was almost zero. Consumers spent nearly 100 percent of their current incomes.

Obviously, these two tenuous trends are connected. Americans are spending so much in part because they feel so wealthy. Economist Bruce Steinberg of Merrill Lynch notes that higher stocks have "added roughly \$8 trillion to household net worth during the past six years." In turn, strong consumer spending shields production and profits from the baleful effects of foreign recessions. This props up stock prices.

People may still follow a monthly ritual of "saving," but that is offset by stock sales or borrowing. So there is a mutually reinforcing confidence game. High stock prices boost consumer spending, and strong consumer spending boosts stocks. If either falters, the other may follow suit.

Speculative fever has surely infected the market. Internet stocks are the usual

suspects. Consider Amazon.com, the on-line bookstore. Its stock went public in May 1997 at \$9 a share. A year ago it traded at about \$25 a share. It has recently traded at around \$320. Now this company has never made a profit. For the first nine months of 1998 it lost \$78 million (\$1.60 a share) on sales of \$357 million.

Amazon.com may ultimately be fabulously profitable. One Wall Street analyst predicts that it will earn \$10 a share within five years. This would be about \$500 million, which roughly equals its present annual sales. Even if this does happen, and even if the stock remains at its current price, the profits would provide a meager 3 percent return to the stockholder.

Why do people buy such stocks at such lofty prices? Maybe because they hope to sell to someone else at even loftier prices.

Look at trading volumes. On a typical day, almost a third of the available shares of Amazon.com stock are bought and sold. Many investors are not "holding for the long term." They're aiming for a quick kill.

It would be reassuring to think that

this speculative frenzy afflicts only Internet stocks. But I am suspicious, and so are some Wall Street types. "We're in one of the great bubbles of all time," says Barton Biggs, the chief global stock strategist for Morgan Stanley Dean Witter. "It's the ascendancy of greed over fear."

At present prices, the stock market has a price-to-earnings ratio of about 31 or 32, using the S&P stock index. These are record levels.

What now sustains confidence is confidence. The economy has done well, so people expect it to do well. Perhaps it will. Unemployment is low, inflation is mild. People expect interest rates to drop further. But few of the threats of 1998 have vanished.

Japan's economy is still shrinking. Latin American economies are still weakening. The U.S. trade deficit is still growing; global overcapacity in many industries is still expanding. These trends imperil jobs and profits, the props of confidence. The shopping spree could end; stocks could drop; a recession could ensue. At any rate, that's how it seems to me.

Washington Post Writers Group

For Germany and Japan, an Agenda Beyond Apologies

By Ian Buruma

WASHINGTON — In the elections in Germany, Chancellor Helmut Kohl pushed the idea of an enormous Holocaust memorial in Berlin, designed by the American architect Peter Eisenman, as a kind of centerpiece for the reborn capital.

Gerhard Schröder, leader of the Social Democrats, objected: he has said Germans should "look ahead without forgetting what happened." His adviser Michael Naumann, now culture minister, warned that the memorial would become a site for neo-Nazi vandals.

Then in October Martin Walser, a well-known novelist, declared in a speech that he was tired of seeing the Holocaust pop up all the time in the media. He said Auschwitz had become to Germans "a routine threat, a tool of intimidation, a moral cudgel or just a compulsory exercise."

Promptly, the leader of the Jewish community in Germany, a Holocaust survivor, Ignatz Bubis, accused Mr. Walser of "mental arson."

Clearly the complexion of the German Problem has changed. Whereas traditionally

it was always conservatives who complained about the "Holocaust industry," now it is often liberals who do so.

It is as if, now that the left is in power again after nearly two decades, it should feel free to talk as the right sometimes did. Impatience on the right with the legacy of the Holocaust was called "fascist." On the left it is "breaking taboos."

One of Mr. Walser's prominent supporters has been Rudolf Augstein, founder of the liberal magazine Der Spiegel, who said foreigners like Mr. Eisenman should not be allowed to "dictate how we deal with memories of the past in our new capital."

At least Mr. Augstein is consistent: he has always been a liberal nationalist. But his statement rings all the bells of self-pitying German xenophobia.

Who is dictating anything to the Germans, anyway? Mr. Augstein hints at the "world press," which is always "beating up" the Germans. And who owns the "world press"? No, he is not so coarse as to fall into that racist trap.

They are old enough to have lived through the war, but Mr. Walser and Mr. Augstein fit the mood of a new, younger, more assertive Germany.

The people in the Schröder government were born after war guilt could have stuck to them. This does not give them any right to gripe about hearing about the Holocaust, or to complain about survivors claiming money or goods that were stolen by the Nazis. There is a nasty tone to accusations from liberals about money-grubbing Jewish lawyers in litigation over Nazi-era bank accounts.

And yet, in one sense, Mr. Walser deserves to be taken seriously. Auschwitz has become a moral cudgel, not least in the hands of Germans themselves. Ginter Grass argued in 1989 that the memory of Auschwitz should stand in the way of national reunification, since a unified Germany was guilty of the Holocaust.

When Willy Brandt fell on his knees on the site of the Warsaw ghetto in 1970, it was a moving and necessary acknowledgment of a great crime. But such sym-

bolic gestures are too precious to become routine. Official rears have become too cheap, too ritualistic. They are often a substitute for knowledge and understanding. So it is perhaps right to question whether a huge Holocaust memorial is really the most appropriate monument for a democratic Germany.

PITY about war guilt is not a conspicuous feature of the Japanese scene. Yet there, too, a certain weariness about being constantly reminded of war guilt is being felt. If Mr. Augstein exaggerates foreign manipulation of German guilt, Japan is routinely subjected to just that from China.

Japanese were guilty, to be sure, of an atrocious war in China and other parts of Asia. But ever since Deng Xiaoping opened China's door to foreign trade and investment, Chinese leaders have been working on Japanese guilt to secure political and economic favors, as President Jiang Zemin did in his visit to Japan last month.

The Japanese should not forget what was perpetrated by their nation during the war, but it is a bit rich for the leader of

the Chinese Communist Party, whose murderous legacy can still not be openly discussed in China, to lecture the Japanese about the importance of remembering the past.

Japan never had a Willy Brandt. No Japanese prime minister ever knelt in Nanjing, site of the most awful Japanese atrocities in 1937. Yet Japanese prime ministers have acknowledged the past and apologized for it (although not in writing). And despite much angry and sometimes ignorant talk about Japanese burying their guilty secrets, there is a great deal of Japanese literature that deals honestly with the war.

To be sure, there are right-wing revisionists in Japan, some of them occupying senior positions in the Liberal Democratic Party. But even most conservative historians agree that Japan's war was vicious.

What they dispute is that the Japanese military enterprise, however bloody, was comparable to the Nazi attempt to exterminate a people. And in my opinion they are right to do so.

In any case, to use historical guilt as a political tool, as the Chinese do, is the best way to stir up Japanese hostility and also to trivialize the history itself.

Remembrance Means Forestalling the Torches

By Gideon Rafael

JERUSALEM — A memorial conference organized by the state government of Thuringia for the 60th anniversary of the pogrom night called Kristallnacht by its Nazi perpetrators offered an opportunity to review German-Israeli relations. What follows here is adapted from my address in Erfurt.

THE torching of synagogues throughout Germany on Nov. 9, 1938, was not the first burst of arson by Hitler's thugs. The torching of the Reichstag, soon after his seizure of power, preceded it in February 1933.

A few weeks later, on May 10, the flaming torch illuminated Germany's descent into the cultural wilderness when it lit the faces of those who burned the books of Germany's most distinguished authors "out of reverence," Goebbels proclaimed. "For the immortal spirit of the German people."

A hundred years earlier, Heinrich Heine had warned: Where they burn books they will in time burn people, too.

So, two months after the Munich capitulation of "peace in our time" in September 1938, Hitler's hooligans torched the synagogues, smashed the windows of Jewish stores and deported 28,000 German Jews in concentration camps.

Soon, Hitler's Wehrmacht occupied Czechoslovakia and then invaded Poland, setting the whole world on fire. Reduced to ash, in the end, would be Hitler's so-called Thousand-Year Reich, along with millions of men, women and children, among them 6 million Jews.

From the book-burning to the incineration of gassed inmates in ovens built and installed by the Erfurt ironworks Topf and Söhne, everything proceeded toward or according to a program for *Endlösung* (final solution) decided upon at the Wannsee conference in February 1942. Topf and Söhne worked at full capacity to fill an ever increasing number of orders for its crematories. The firm's staff worked overtime installing them.

A report in the Thüringer Allgemeine Zeitung of July 9, 1994, records their extreme efforts to make a ventilation conduit at Auschwitz-Birkenau operative in time for "showers" of Zyklon B gas on 1,492 Jews in the "undressing room." The corpses were to be incinerated in ovens inspected by one Herr Messing, an installer from Topf and Söhne, who claimed 15 hours of overtime.

The concentration camp at Buchenwald, established in 1937 in the vicinity of Weimar, was the prototype for the mass murder factories where Hitler and Himmler's torturers and executioners, equipped with the latest technology, starved, shot, hanged, gassed and incinerated so many thousands of people. An old oak stood in the Buchenwald camp on the hill called Eutersberg. In its shadow Goethe had liked to rest, during his walks on the hill. Day in, day out the prisoners passed it on their forced marches to the quarries. "Goethe's oak," a lonely sentinel in the midst of the inferno, reminded them painfully of the normal world outside the camp.

Leaving that cursed place, I was reminded of some lines by Primo Levi, the Jewish-Italian writer and survivor of Auschwitz.

Think, oh think, could this really be a lion who has to fight for half a loaf. Who received a death sentence with a mere "yes" or a mere "no."

Could this really be a woman who no longer has hair nor even a name, who has expressionless eyes?

Think, oh think about all these things.

Which really happened. Primo Levi, unable to bear the memory, parted from life.

EIGHT kilometers separate the profoundest depth of human depravity at Buchenwald from the sublime nobility of the universal human spirit of Johann Wolfgang von Goethe, whose house in Weimar bears vivid testimony to it.

Goethe's genius manifested itself not only in his supreme literary creations and his knowledge of the sciences, but also in his personal humanity.

In his younger years, when he was still living in Frankfurt, he was the only gentle who rushed to the burning ghetto to help Jewish neighbors extinguish the fire. So says the curator of the Goethe House.

Making that short journey between the worlds of Buchenwald and Weimar reminds the traveler, still dazed by the horrors of the camp, of the immortal Faust. "Two souls, alas, reside within my breast, and each is eager for a separation." Konrad Adenauer, the architect of Germany's rehabilita-

tion, reconstruction and reconciliation with the Jewish people, probably thought of the Faustian dilemma of his people when he confided to his intimates that "its inclination to wander between the two worlds motivated him to seek integration of the Federal Republic into a firm European framework ensuring the stability of the rebuilt Germany."

The task of statesmen is to foster understanding between states. Reconciliation is the challenge to the people. Post-war Germany and old-new Israel were fortunate that two statesmen of great vision and a keen sense of realism, Konrad Adenauer and David Ben-Gurion, were guiding the destinies of their nations at this crossroads of history. The fact that they met contributed decisively to the process of German-Jewish reconciliation.

Reconciliation does not mean forgetting or forgiving. People who suffered the horrors of Nazi rule cannot exonerate the perpetrators.

The Jewish people, which in the course of 3,000 years has survived so much misfortune, proved after its greatest catastrophe of all that its will to live was unbroken. It restored its independence in the ancient land of its birth. Israel became the haven of the survivors of the Holocaust and the home of newcomers from the four corners of the world. It revived its Hebrew language and cherished its spiritual heritage, harmonizing it with the achievements of the contemporary world.

REMEMBRANCE is not just an act of piety but a commitment to alertness against relapse into barbarity.

The East German regime ignored the Holocaust and its Jewish victims. For it, Israel was a no-man's-land despite the fact that the Soviet Union had sponsored its establishment. Andrei Gromyko, the Soviet representative at the United Nations, declared in a stirring speech that "the Jews, having suffered more than any other people in the war (6 million of them perished at the hands of the Nazi executioners), are entitled to the establishment of their own state."

The institutions of the Federal Republic, entrusted with the protection of its democratic freedoms, must deal sternly with any attempt to undermine

them, minding Bismarck's warning that "the weak get strong by effrontery, and the strong get weak by inhibition."

Violence is a contagious disease. If not checked at an early stage, it can become epidemic. A people which has let itself be misled by more than one leader must take the necessary precautions to immunize itself against renewed infection. The recent desecration of the grave of Heinz Galinski, president of the Association of Jewish Communities in Germany, who devoted his life to rehabilitation of the remnants of Jewish presence in Germany and to the growth of understanding between Jews and Germans, is a grave warning sign. Fire lit by neo-Nazi torchbearers still clouds the skies of the new, enlightened and creative Germany.

Celebrating the reunification of Germany in 1990, President Richard von Weizsäcker said the success of the unified Federal Republic demanded "responsible memory of the past as an indispensable force for the future." Israel trusts that Germany has embarked on this road and will proceed on it steadfastly.

The writer, a former Israeli ambassador to the United Nations, contributed this commentary to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Russian Famine

PARIS — The Tsar's disarming rescript arouses special interest in Russia. The enormous warlike expenditure causes a heavy strain upon its resources this year, owing to the failure of the crops. A statement by the Red Cross Society describes the situation as gloomy. The point in the report is that for the feeding of millions of peasants it had a fund of under 400,000 roubles to which should be added 500,000 roubles. This gives about 900,000 for combating famine or something like one-tenth the cost of a single battleship. No statement could so graphically describe the scantiness of Russia's available resources.

1923: Turkey's Ruling

CONSTANTINOPLE — Lufti Fikri Bey, president of the Turkish Bar, has been sentenced to five years imprisonment with

hard labor by the Tribunal of Independence on charges of propagating the restoration of the Sultanate and opposing Republican movements. The Prosecutor-General demanded the death penalty. This is the first sentence pronounced under the Treason Act passed by the Angora Assembly last April.

1948: German Ire

FRANKFURT — The German reaction to the new six-power agreement to internationalize the Ruhr was angry and combative. Western German politicians, newspapers and labor leaders were united for once in asserting that the London agreement amounts to exploitation of a great industrial area in western Germany for the benefit of the victors. Throughout all the German reaction, there was also a recognition that the Ruhr agreement represents a definite diplomatic victory for the French.

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OPINION/LETTERS

Why I Will Keep Calling For Clinton's Resignation

By David S. Broder

WASHINGTON — The custom in this corner for many years has been to use the last column in December to clean up some of the errors of grammar, fact and judgment you readers have been kind enough to point out during the previous 12 months.

This year, your criticism has been voluminous and tightly focused. "Why are you so tough on President Bill Clinton?" you ask. Many of your letters and faxes begin disarmingly enough. A Bullhead City, Arizona, man writes: "Although I have disagreed with you many times, up until now I have considered you a smart, knowledgeable and sensible man." And then comes the big "but" clause. As the woman from Belle Harbor, New York, puts it, "You have blown your reputation for moderation and fairness."

I take those views seriously, and with your permission, I would like to respond in personal terms.

Some of you suggest my criticisms of Mr. Clinton reflect the ravages of old age. It is a fact that Mr. Clinton is the first president I have ever covered who is my junior in years. But I am high on younger people in both politics and journalism, and admire the way they have balanced their personal and professional lives far better than my own generation did.

"Is it something personal with you and Clinton?" several of you ask. No, I have no personal relationship with this president, good or bad. My notion of journalistic responsibility precludes



reputation as a womanizer but because — as Mike McCurry, the former White House press secretary, said the other day — "the recklessness of his behavior" was so stunning. In my first column on the subject, I said, "A journalist must suspend judgment until all the facts are known," and for weeks thereafter, I confined my comments to the "need to think about the really murky issue of when the private sexual behavior of presidents and presidential aspirants deserves to be a matter for public scrutiny." But I also said, "The rule of law requires any American to give truthful testimony when sworn as a witness in a legal proceeding... [and] no one is above the law."

As Mr. Clinton continued to

Believe It or Not, There Is Life Without a Datebook

By Joanne Kaufman

NEW YORK — Yesterday, I unearthed a 1998 datebook that is as pristine as the day I bought it last December. I've got half a mind to give it another go in 1999. Or perhaps I'll pass it to my 7-year-old son (he loves the lists of holidays and metric conversion tables) as I did with my equally blank 1997, '96 and '95 editions.

In a city where tables at hot restaurants and seats at Broadway

shows need to be booked weeks or months in advance, my failure to use a datebook puts me out of step with the rest of the populace — I am rather like those few odd souls who refuse to use an answering machine.

I am the only one in my family with this quirk. My husband recently acquired an electronic planner, and our two young children, both in reasonably high demand on the play-date circuit, have calendars meticulously maintained by their baby sitters — who herself has a Filofax that is thicker than the Yellow Pages.

I do not shun datebooks as an attempt to be free-spirited or out of some high-minded principle. I am a planner, a worrier, obsessed with being right.

You would think, then, that I would be delighted to pull a little black book out of my shoulder bag, rattle to the appropriate page and crow, "You see it was 11:30, not 11."

When I first moved to New

LETTERS TO THE EDITOR

Clinton and Starr

Regarding "Legacy of '60s Plays Out in Divisions Over Clinton" (Dec. 28):

Once again we are served up the old version that the Clinton sex scandal is a product of the culture wars of the 1960s, with the "virtueless" William Bennett on the side of morality and the Democrats on the side of permissiveness. Ambiguous poll results are once again provided as proof.

What seems to escape the writers is that the support for President Bill Clinton is due in large part to the attitude among the pub-

lic that the Starr investigation was unfair and partisan from the beginning. Far from being a "crisis in morals," this shows a healthy respect for the rule of law among the American people and should be commended.

Since the president is not below the law, the entire farce should come to an end. Kenneth Starr himself should be investigated.

The radical right-wing attitude, parroted by David Broder and his fellow press dons, is that anything is allowed in naming Mr. Clinton on whatever charges will stick.

The sex was all that Mr. Starr could come up with after four

years of investigating. The broadcast and print media have failed miserably in presenting the facts of this scandal.

It is most unfortunate that the media cannot be impeached.

JOSEPH GUERRA
Trofa, Portugal

A Switch in Strategy?

Regarding "Clinton's Motives Are Pure — or Are Congress's?" by William Safire (Dec. 18):

If the motives of Bill Clinton and of Congress are pure, so, presumably are those of Saddam Hussein.

But neither impeachment nor aerial bombardment is likely to bring the endless absurdities in Washington and Baghdad to a speedy conclusion. Is it not time for a radical switch in both strategies? How about impeaching Baghdad and bombing Washington?

C.R.B. JOYCE
Allschwill, Switzerland

Gracious Pornographer

Regarding "Behind Livingstone's Fall: An Eccentric Pornographer" (Dec. 21):

Those who care about democracy probably owe a lot to Larry

Flint. The initiative of the Good Pornographer has been both effective and edifying.

DAVID HIRSCHBERG
Hivelart, Belgium

In Defense of French

Regarding "Among U.S. Students, French Keeps Its Chic" (Dec. 28):

In a predictable report, the reporter wonders why French remains very popular with young Americans.

When the British diplomat quoted in the article concludes that even "Urdu is more useful"

if you want to do something really practical — like getting a cab in New York — I can only laugh.

While working for five years in Manhattan in the 1990s, I took taxis regularly and spoke French with the drivers — Haitians for the most part, but also Senegalese, Moroccans and Lebanese.

More than once, after chatting up a bawdworking hack, I saved money on the fare by being told to skip the tip.

If that isn't a modern advantage of speaking French, I don't know what is.

DAVID WINCH
Geneva

York after college 20 years ago, was so eager to seem busy and sought after that I always kept a datebook in my purse.

I diligently marked down the particulars of parties I had no intention of attending. Lunches I was certain would be canceled, meetings so tentative they did not merit even a pencil notation.

But paradoxically, the more complicated my life becomes, the less need I have for a calendar.

I am unlikely to forget the more daunting obligations — a mammogram, periodontal surgery, parent-teacher conferences. And on a more practical level, there is only so much stuff I can manage and not misplace. With a family, a car and most recently a cell phone, my hands are full.

Now, when someone calls to arrange a lunch or dinner, and says "Let's get out our datebooks," I make little rustling sounds to suggest compliance.

In person, I pretend to search through my briefcase and say: "Oh, I must have left it at home. But I'll remember."

This juggling act is not as tricky as it sounds. I rarely make lunch dates because then I would have to rush to pick my children up from school.

Dentists' and doctors' offices and even the phone and cable companies tend to make confirmation calls the day before an appointment, so I need only have a vague recollection of the timing.

I also try to make appointments on significant dates. For instance, I scheduled a recent — dreaded — meeting with our accountants on Pearl Harbor Day. When they postponed it, I had to scramble for another December day with the potential to live in infamy. I settled on New Year's Eve morning.

In one of the Frog and Toad stories I read to my children, Toad makes a list of the day's events and then is frozen by uncertainty when the wind blows his schedule away. I like to think there is a lesson here about datebook dependence.

I know where I am supposed to be and I know when I'll be there. I may be late, but that's another story altogether.

The writer, a contributing editor of Family Life magazine, submitted this comment to The New York Times.

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THE INTERMARKET
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Attorneys for Plaintiff
UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

UNITED STATES OF AMERICA, Plaintiff, vs. No. CV 98 - 5600 JSL/RNB/v NOTICE

\$10,309,672.04 in U.S. Currency, and \$4,010,980.00 in U.S. Currency.

In obedience to a Warrant for Arrest to me directed, in the above-entitled cause, I have, on the 15th day of July, 1998, executed process on the following described defendants, to wit: \$10,309,672.04 in U.S. Currency and \$4,010,980.00 in U.S. Currency for the cause set forth in the Complaint, to wit: violation of Title 18 of the United States Code § 981 (a) (1) (A). Amount demanded is the sum of \$14,320,652.04 U.S. Currency, plus interest and costs.

I HEREBY GIVE MY NOTICE to all persons claiming the said described defendant or defendants, or having anything to say why the same should not be condemned and forfeited: that they file their claims pursuant to Rule 6(c), Supplemental Rules to the Federal Rules of Civil Procedure, with the clerk of the United States District Court, at Los Angeles, within ten (10) days after process is executed, or within such additional time as the court may allow, and that they file their answers within twenty (20) days after the filing of their claims and answers within the times so fixed, otherwise, default will be noted and forfeiture sought of the interest in the defendant property of any person not so complying.

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INTERNATIONAL

U.S. and Iraq Exchange Threats Over Aircraft Patrols in No-Flight Zones

WASHINGTON — The United States will continue to enforce no-flight zones over Iraq in the face of fresh challenges to its patrols as Saddam Hussein moves to buck tight U.S. and UN controls over his nation, a Pentagon spokesman said Tuesday.

A day after a U.S.-Iraqi missile exchange in northern Iraq, Vice President Taha Yassin Ramadan vowed to fire again at any aircraft that, in Iraq's view, violated its airspace. He also suggested that Iraqi planes would travel into the no-flight areas. In response, the Pentagon said that U.S. and British warplanes would not be intimidated by the latest Iraqi threats, which came amid an atmosphere of increased tension after the

clash Monday in which four Iraqi soldiers were reportedly killed and seven wounded.

"As the president said yesterday, we will continue to enforce the no-fly zones," Lieutenant Colonel Stephen Campbell said Tuesday, referring to remarks made by President Bill Clinton. "Nothing has changed."

Colonel Richard Bridges said that American flyers were prepared to act against any Iraqi aggression. "I'm sure that pilots will be much more alert. There'll be more adrenaline running. But the mechanisms to respond appropriately are already in place."

There were no immediate reports of Iraqi aircraft in the northern and southern no-flight zones, according to Colonel Bridges.

Warplanes patrolling in northern Iraq did not fly Tuesday because of weather conditions.

The Iraqi vice president issued a direct challenge: "Our resistance will continue against any penetration," he said. "The war is still on."

Iraq has always questioned the legitimacy of the no-flight zones, but has rarely engaged U.S. and British warplanes. Now, however, Iraq appears to be trying to provoke the United States as part of a calculated strategy to get out from under strict UN economic sanctions and other controls, foreign policy experts say.

"What you're watching here with Iraq challenging the no-fly zones is just the noisiest part of a very broad strategy," said Tony Cordesman, an analyst at the Center for Strategic International

Studies. "It's a visible sign of resistance."

Mr. Saddam's rejection of UN weapons inspections prompted four days of U.S. and British missile and bombing strikes this month. Baghdad also is suggesting that it might not renew a two-year-old UN oil-for-food program next year designed to ease the impact of economic sanctions on the Iraqi people.

On Monday, U.S. warplanes fired three missiles and six precision-guided bombs to strike an anti-aircraft site in northern Iraq that had launched three missiles at U.S. fighter jets on patrol.

■ Patrols Ended, France Confirms

France confirmed Tuesday that its planes had stopped participating in allied flights over south-

ern Iraq since Dec. 16, a decision prompted by the U.S.-led bombings against Iraq. The Associated Press reported from Paris.

The obvious reasons for the French withdrawal were the chain of events that led to the air strikes," said a Foreign Ministry spokeswoman.

The Iraqi vice president said in a television interview Sunday that France had probably stopped its participation in the U.S.-led air patrols, but that he was unable to confirm the news. France halted the flights on the first day of the strikes by U.S. and British forces aimed at punishing Baghdad for blocking UN weapons inspections.

France withdrew from the so-called Northern Watch mission in 1996, but its warplanes were still patrolling the skies of southern Iraq.

Iraq Fights Losing Battle Against Deadly Illnesses

Economic Sanctions Devastate Medical System

By Stephen Kinzer
New York Times Service

BAGHDAD — The greatest misfortune that has been visited on 3-year-old Isra Ahmed was not contracting leukemia. It was contracting leukemia in Iraq at a time when the country's medical system is all but paralyzed as a result of economic sanctions imposed by the United Nations eight years ago.

Since Isra's illness was diagnosed this year, she has spent most of her time in the Saddam Central Teaching Hospital for Pediatrics in Baghdad. She bleeds profusely from her nose, gums and rectum. Her mother has bought her earrings and a colorful clip to bind her thinning hair into a ponytail, but whatever diversion she has is likely to be temporary.

In developed countries, the cure rate for leukemia approaches 70 percent. In Iraq it is near zero.

"It's still not too late to save this girl's life if we can give her a bone-marrow transplant," said Jasim Mazin, the hospital's chief resident. "But we don't have the equipment to perform that kind of operation. We're helpless."

In his five years at Saddam Central, virtually all of their leukemia patients have died. Their deaths, coupled with those who die of gastrointestinal diseases, diarrhea, dehydration and other easily curable ailments, have clearly taken a toll on him. He often works 20 hours a day, and although he is just 28, he looks nearly twice that age.

"Iraq used to be the best country in the Arab world in terms of science and medicine," Mr. Mazin said as he made his rounds on a recent morning. "Now we can't even read medical journals, because they are covered by the embargo."

"I can't believe I use disposable syringes on one patient after another, or perform operations with worn-out instruments in operating theaters that are not even disinfected," he said. "It's very difficult to work very hard on a

patient, try to care for him, and then lose him because you can't get some silly thing that you could pick up in a drugstore in any other country. And this is the best-supplied children's hospital in Iraq. If you go out into the provinces, you see that things are much worse."

The coordinator of UN relief programs here, Hans von Sponeck, toured hospitals outside Baghdad last month and reported that much of the equipment he saw "was fit only for a museum." He said some of it was actually endangering the health of patients and staff, such as X-ray machines that leak radiation and malfunctioning incubators that leave residues of toxic medical waste.

Although the effect of sanctions is evident in every aspect of Iraqi life, there are a few places where it is more poignantly visible than at hospitals such as Saddam Central. According to UN figures, government spending on medicine and medical equipment has fallen more than 90 percent since the sanctions were imposed after Iraq invaded Kuwait in 1990 and the economy collapsed. Not a single new hospital has been built in that time, although the population has grown to 22 million from 15 million.

Iraqi doctors say conditions have improved since 1996, when the UN began allowing the government to sell limited amounts of oil and use some of the income it earns to buy food and medicine. About \$450 million worth of drugs and medical supplies have entered the country since then, though the United Nations says distribution is inadequate. The Clinton administration defends sanctions as an indispensable part of the Western campaign to bring down President Saddam Hussein, whom Western powers have accused of threatening the Middle East by building weapons of mass destruction. The administration has, however, signaled its willingness to consider an expansion of the oil-for-food program that could allow Iraq to improve the ailing health care system to which its health care system has fallen.

Any improvement would probably come too late for most of the children lying in hospital beds here.

"Inside the hospitals is where you have to go if you want to see why so much antagonism and resentment is building up here," said Kathy Kelly, who runs a Chicago-based group called Voices in the Wilderness that is campaigning against the sanctions and who is making her ninth visit to Iraq since 1990. "I've seen doctors go from superheroes to almost clinically depressed."

At Saddam Central, Mr. Mazin said he maintains his equilibrium by concentrating on the children he has been able to save. He said his worst period came last April, when he lost about 75 children during a two-week epidemic of chest infections and gastroenteritis. Every one of them, he believes, could have been saved with antibiotics that are commonly available in neighboring countries.

One of the few bright spots at Saddam Central is a 10-year-old named Marwa Tariq, who comes in for a checkup every month wearing her favorite brightly patterned sweater. She has leukemia but was released from the hospital six months ago after her case stabilized, and has shown no symptoms since then. If she can stay healthy for another four and a half years, she will be considered cured, the first such case since the sanctions began.

"I'm feeling good and I'm studying hard at school," Marwa said with a broad smile. "When I grow up I want to be a doctor who treats children."



Children in Baghdad submitting coupons Tuesday to receive their monthly ration of state-allocated soup.

Loyalty of Netanyahu Aides in Doubt

Reuters

JERUSALEM — Prime Minister Benjamin Netanyahu's bold on his Likud Party appeared to slip further on Tuesday as his top two cabinet colleagues signaled that he could lose their loyalty in early elections due May 17.

Defense Minister Yitzhak Mordechai, who tops the polls as Israel's most popular minister, criticized Mr. Netanyahu's handling of peace moves with the Palestinians and said he was wavering over his political future in the right-wing party.

Foreign Minister Ariel Sharon, who only two days ago said he did not cover Mr. Netanyahu's job and called for unity in Likud's fractious ranks, said he could see himself a candidate to lead Israel under unspecified "special circumstances."

The embattled Mr. Netanyahu could take heart from the fact that a parliamentary committee agreed to set elections for next May 17 — 22 years to the

day since Likud's first election victory and far enough down the road to patch up party squabbles.

Parliament voted last week to advance elections from late 2000 after Mr. Netanyahu lost the support of right-wingers who believed he had betrayed them by agreeing to cede West Bank land in a peace deal with the Palestinians.

"I am deliberating," Mr. Mordechai told Israeli Army Radio when asked whether he was nearing a decision about his political intentions.

"For today, I am a Likud man," he said. "If I reach a different conclusion, I'll let the public know."

Mr. Sharon, an influential Likud powerbroker, raised eyebrows on Monday when he said he could be a candidate for the country's top job "in circumstances that necessitate it."

He refused to elaborate on comments he made only a day after he called on Likud faithful to unite behind Mr. Netanyahu.

"I have nothing to add to what I said yesterday," Mr. Sharon said Tuesday. "Use your heads and you'll understand."

■ Israeli Threat to Gaza Airport

Israel has threatened to close down the Palestinian-run Gaza airport over a security violation, a move that could further undermine the already fragile peace process, The Associated Press reported Tuesday from Jerusalem, quoting an Israeli official.

Palestinian airport workers refused to allow Israeli security officials to check the identity of passengers who arrived on an Egyptian plane on Sunday afternoon, most of whom worked for the Palestinian Authority, according to the official, Nir Yarkoni, the Civilian Airport Authority director.

"The Transportation Minister asked me to tell the Palestinians that if this continues, we won't allow the airport to operate," Mr. Yarkoni said.

APOLOGY: Cambodian Is 'Sorry'

Continued from Page 1

of purges in which many thousands of people were tortured and killed. Asked whether the Khmer Rouge were indeed responsible for large numbers of deaths, he said, "Please leave this to history. This is an old story; please leave it to the past."

Mr. Khieu Samphan was similarly circumspect on the question of guilt, muttering at one point, "To say who is wrong and who is right and who is doing this and who is doing that, etcetera, then rephrasing himself: 'The developments of history in our country are very complicated. Please don't keep stirring things up.'"

He said he had listened Tuesday to a foreign radio broadcast in which Cambodian citizens described the losses of family members at the hands of the Khmer Rouge.

"It is normal that those who have lost their families, that they — what to say — feel some resentment," he said, speaking in English. "But I feel that most of our compatriots understand that we have much more problems to resolve at the present and in the future and we have to forget the past."

He added: "Let bygones be bygones" is the best solution for our country, because it is the only way to reach national reconciliation. It is the sine qua non condition for peace and stability in our country."

Mr. Hun Sen said the same thing on Monday in somewhat less high-flown language: "We should dig a hole and bury the past." Despite his past assurances that he wanted to set up a tribunal to try Khmer Rouge leaders for crimes against humanity, Mr. Hun Sen now said the Khmer Rouge leaders should be greeted "with bouquets of flowers, not with prisons and handcuffs."

Nevertheless, a diplomat said work was continuing at the United Nations to lay the groundwork for any possible future trial.

The surrenders by Mr. Khieu Samphan and Mr. Nuon Chea virtually complete the collapse of the Khmer Rouge movement that began more than two years ago with waning defections.

During the press conference, Mr. Khieu Samphan was clearly distressed by a drumbeat of harsh questions. Would he be at least tell the Cambodian people he was sorry for their suffering, a foreign reporter asked. "Yes," he said, barely audibly. "Sorry, very sorry."

YEMEN: 4 Hostages Killed

Continued from Page 1

began negotiations with the kidnappers. About 200 Yemeni security force members encircled the area.

Governor Ahmad Ali Mohsen of Abyan Province, where the kidnapping took place, was leading the talks with heads of the Al Fadl tribe, an official at the governor's office said. He was accompanied by Islamic personalities influential with the abductors, the official said.

The kidnappers demanded the release of their leader, Saleh Haidara Arwi, who was arrested two weeks ago as part of a crackdown on vigilantes enforcing strict Islamic rules in southern Yemen.

The abduction Monday was the largest single kidnapping in Yemen in at least two years, officials said. Tribesmen kidnapped 13 Italians in the summer of 1997, prompting the government to threaten stiff punishments and increase security in areas visited by tourists.

This month, tribesmen abducted four German tourists. They have been in captivity since Dec. 6. Yemeni newspapers said the abductors had demanded a ransom of 90 million rials (about \$660,000), luxury cars, houses, military posts and state jobs for senior tribal members.

(Reuters, AP)

GATES: Microsoft Chief Reacts to Antitrust Suit With Heart, Not Head, Associates Say

Continued from Page 1

Some of the people closest to Mr. Gates worry that his hostility is becoming a liability to the company. In private meetings and chance encounters, some have begun to subtly suggest to him — so far without effect — that the company, now the world's largest maker of software for personal computers, must act differently than it did as a scrappy start-up.

Friends say that change must begin with Mr. Gates, whose personality and drive have shaped Microsoft from the days more than 25 years ago when it was a roomful of young people in ratty T-shirts. He must think of himself as an industry leader responsible for helping the industry grow, rather than as head of a company fighting to stay in business.

"Bill is clearly going from being an underdog to an industry leader — and he needs to internalize that," said David Marquardt, a member of Microsoft's board of directors. Mr. Marquardt was

one of the few people willing to speak on the record about Mr. Gates, who declined to be interviewed.

A Microsoft spokesman, Greg Shaw, disagreed. Through the course of the trial, he said, "I've seen him more rational, even more relaxed and a lot more thoughtful about how to react and respond" than at times in the past. "And still extremely convinced that what he's done and what we're doing is right."

Mr. Gates' reaction to the government's suit echoes the sentiments of another industry leader, the late Thomas Watson, who headed International Business Machines Corp. when the Justice Department sued the company in 1969.

When he learned of the suit, "my own private impulse was to forget the niceties and fight like hell to protect IBM," Mr. Watson wrote in his autobiography. "It was like some primitive instinct — as though Ramsey Clark were threatening my child. This powerful feeling came over me again and again through the years as our antitrust problems unfol-

ded." Ramsey Clark was the U.S. attorney general at the time of the suit.

When the suit against Microsoft was filed in May, said Heidi Roizen, a friend of Mr. Gates' who occasionally consults for the Microsoft, "I think his first reaction was disbelief, like, 'How could this be? And there's a sense of anger and frustration that this could be done and was happening to him.'"

Friends say that these days, Mr. Gates' legendary concentration is rattled.

Though he does not take part in the frequent conference calls senior executives hold to discuss strategy in the case, he does find his mind wandering to the dispute six or seven times a day. "It's a huge distraction," said one associate.

Press accounts that portray Mr. Gates as scheming have also grated on him. "The thing that bothers him is that the press is against him," Mr. Marquardt, the Microsoft board member, said. He is upset that the chief of Netscape Communications Corp., James Barksdale,

one of the star witnesses against Microsoft, has been portrayed so favorably in press coverage.

"It bugs him that Barksdale is a hero" while he has been demonized, Mr. Marquardt said.

Over and over, associates say that Mr. Gates still sees Microsoft as a company that must fight to stay alive.

His views of Microsoft were strongly shaped during the 1980s, when the company was a pip-squeak and others — such as Lotus Development Corp., WordPerfect Corp. and Novell Inc. — held commanding leads.

He watched as those companies became distracted and at times indifferent to emerging technologies — and then faltered. As a result, Mr. Gates was determined not to let Microsoft become complacent.

Any time a competitor releases a new product, Mr. Gates analyzes it, and worries. "This thing can kill us" is his frequent lament.

Microsoft insiders who say they are trying to convince Mr. Gates that Microsoft must change with the times, stumble when they try to explain precisely what the company should do differently. But it appears to boil down to showing a bit more sympathy for other companies, to accepting that Microsoft is secure as a leader and can afford to let other firms prosper as well.

The clearest way to do that would be to have a sign from Mr. Gates, one as heartfelt and energetically expressed as the message he sent out in December 1995 declaring that Microsoft had to refocus its work on the Internet.

Throughout the case, Mr. Gates has been haunted by the shadow of IBM. The computer company became Microsoft's springboard from the ranks of start-ups into the big leagues when it asked the fledgling software firm to provide the operating system for its first personal computer in 1981. IBM had been heavily scared by its 12-year antitrust battle with the government, which ended that year when the government dropped its case.

As that case progressed, IBM's staff of lawyers played an expanding role in setting company policies. "IBM ultimately self-destructed because the case made the company more cautious," said Mike Maples, who spent 23 years at IBM and then served as one of Microsoft's top three executives until he retired in 1995. "That's a lesson that Microsoft is trying not to repeat — and is doing so successfully."

ASIANS: After Economic Meltdown, Meanest Job Market on Record Forces Students to Rethink Old Work Ways

Continued from Page 1

glomerates guided by the state, and the rise of a new, more market-oriented South Korea.

Many Asian students say they believe that the economic crisis has also proved that Asia needs a new direction on social welfare, much the way the United States found its New Deal after the Great Depression. For too long, they believe, Asia's poor have been the burden of extended families or the stepchildren of aid programs funded by foreigners.

In other countries, even poor people have an apartment, school for their children," said Glory Padmashanti, who will soon graduate from Trisakti University in Jakarta. "In Indonesia, the poor live in the street. Maybe they have food for today but not for tomorrow. I want that to change, and for that to happen, we have to do a lot of work because we are talking about changing a whole system."

"The financial crisis is but a prelude," said the Thai foreign minister, Surin Pitsuwan. "Asia is once again in the midst of a major transformation."

The blood was still warm: Alwi Assegaff will never forget that. Crouched on the white tile steps of the main build-

ing at Trisakti University, Mr. Assegaff drew his fingers through the bloody puddle where one of his classmates — a cheerful 20-year-old who wanted to be a pilot — had died minutes before from a bullet through the heart.

Four students died last May in that violent campus rally against the Indonesian government's handling of the economy. Just as the deaths of four student protesters at Keat State University in 1970 shook a generation of American youth, the bloodshed at Trisakti shattered Indonesian youth's trust in their government.

"I was so sad and angry," said Mr. Assegaff, 22. "It made me realize that I have to fight for the people of this country, fight to give them a voice in government. I have to be a member of Parliament. If not me, who else?"

More thoughtful than radical, Mr. Assegaff said his eyes were forced open by the financial crisis that exposed Indonesia's political rot. There was always a sad gap between the relatively few with cars and college educations and the masses who could not afford proper food and medicine. But the number of desperately poor exploded when the economy collapsed.

"That is not supposed to happen in a

country rich with all these natural resources," Mr. Assegaff said. "As long as it was getting a little bit better each year, we went along."

Asia's economic crisis has turned Indonesia's Class of '99 from a group of privileged aiming for office jobs in Jakarta's skyscrapers to political activists dodging rubber bullets under highway overpasses. Students who never thought twice about capitalism or democracy or social safety nets now hold daily meetings to discuss them.

Education Minister Juwono Sudarsono estimates that only 20 percent of the Class of '99 will have jobs when they graduate in March. And they are the privileged class here; only about 5 percent of Indonesians earn a college degree.

Japan and Indonesia are each a chain of islands in Asia; that may be the end of the similarities. Instead of tanks parked outside looted stores in Jakarta, limousines idle in front of boutiques in Tokyo. But even rich Japan is plagued by bankruptcies and debt. And its economic plunge is also stirring significant change.

As Yoichi Matsuda, 21, sat on an outdoor beach in Harajuku, the epicenter of Tokyo's hip youth culture, he talked about what the Japanese recession has

meant for him and the rest of the Class of '99.

The nation's bureaucrats have lost prestige as they are increasingly blamed for the recession, and even the biggest companies no longer guarantee cachet and employment for life. That has made it acceptable, even preferable, to work for a small company, take a chance on a start-up venture or try a foreign firm.

"It is easier to go a different way," Mr. Matsuda said, as one Mariah Carey hit after another pulsed out of the HMV music store. "I wasn't made to be a cog in a wheel, and now it's easier not to be."

Proof of achievement in Japan for decades has been a business card that said Mitsubishi or Toyota or any of Japan's other platinum-plated companies — or, better yet, the ultra-elite Ministry of Finance. But, as Akihiko Tanaka, a scholar at Tokyo University, said, "The old yardstick has been destroyed. Now people can find yardsticks that suit themselves."

Those yardsticks increasingly have foreign names, like Goldman Sachs and Merrill Lynch and IBM, which offer advancement based more on merit than age, often better pay and more opportunity for innovation. Even two or three

TOMORROW
TECHNOLOGY

Strauss Updated With Showbiz Comden, Green and 'Fledermaus'

By Anthony Tommasini
New York Times Service

NEW YORK — In the Broadway revival of Leonard Bernstein's "On the Town," there is a hilarious send-up of a pretentious, boozy voice teacher called Madame Maude P. Dilly, played with gusto by Mary Testa.

In the scene, the character Ivy Smith, who works as an exotic dancer at Coney Island but harbors higher aspirations, has come for her lesson. Madame Dilly puts Ivy through the vocal warm-up regimen of opera singers. For good measure, she throws in a stern admonition about dedication to art:

*Do do re do
Love life must go,
If you'd be a nightingale
Instead of a crow.*

The lyrics are by Betty Comden and Adolph Green, who also wrote the book for this 1944 show, their first. This would not be the only time the celebrated team of lyricists poked fun at opera. In "Two on the Aisle," a 1951 collaboration with the composer Jule Styne, they wrote a duet called "Catch Our Act at the Met," in which Bert Lahr, as a fur-clad Siegfried, and Dolores Gray, as a leagery chorus line Brünnhilde, fantasize about bringing some showbiz verve to the citadel of opera.

Opera always has been fair game, and a pretty easy target, for Comden and Green, both 83 and professional partners for 54 years. But they never expected to actually enter the inner sanctum of the opera house.

Last year, however, David Kneuss, the executive stage director at the Metropolitan Opera, approached them with an operatic idea that seemed right for them. The result was "Die Fledermaus," the popular operetta by Johann Strauss, with a new book and spoken dialogue by Comden and Green.

Some of the problems in preparing new dialogue for this 1874 operetta are built in, as Comden and Green discovered. "The dialogue has to fit Strauss's score," Green said. "It's very difficult. We had to find a way to get in and out of every aria and ensemble, and keep it consistent with the existing music."

The original version of the opera, with lyrics and spoken dialogue by Carl Haffner and Richard Genée, was based on a French comedy by Henri Meilhac and Ludovic Halevy, the librettists of "Carmen." The humor in the original is cynical. Set in the Belle Époque years of Vienna, the story takes place on one long, inebriated night.

When it begins, Rosalinde, the young wife of Gabriel von Eisenstein, a well-to-do Viennese citizen, is being serenaded outside her window by a former lover, Alfred. The song comes at a dangerous time, for Rosalinde has a weak spot for tenors, and her husband is about to report to prison to serve five days



Earle Pairiarco, left, and Bo Skovhus as Eisenstein.

for assaulting a police officer. Eisenstein bursts into the room, furious that his incompetent lawyer, named Blind, has somehow managed to get his sentence increased to eight days.

But Eisenstein's friend, Dr. Falke, shows up with a plan. Prince Orlofsky, a bored, wealthy Russian eccentric, is throwing a masked ball, and Falke wants his friend Eisenstein to have one last fling, without his wife, at the prince's party. Dr. Falke is getting even for being the butt of a practical joke: Eisenstein, Rosalinde and Adele, their maid, are being manipulated by Falke to appear at the ball, where infidelities will be revealed and scores settled.

In their new book, Comden and Green have Dr. Falke call the little domestic comedy he is arranging "She Knew but He Didn't Know She Knew That He Didn't Know That She Knew."

The operetta was a success at its 1874 premiere, and from the start a tradition developed, sanctioned by Strauss, of allowing some tomfoolery into the show. But audiences at the Met now expect Strauss's wry operetta to be a gagfest, and this has led to lame humor and dumb sight gags. So the task faced by Comden and Green, as they explained, was to spice up the dialogue without resorting to bawdy jokes and topical humor.

Strauss's operetta is being performed in the original German (with title translations available), but the new dialogue will be spoken in English.

For the first time in many years, these veteran show people will hear a work of theirs performed without any amplification. "In the old days, audiences worked harder," Comden said. "They leaned forward and paid attention."

The cast includes Carol Vaness as Rosalinde, the Danish baritone Bo Skovhus in his Met debut as Eisenstein, and the American conductor Patrick Summers, also in his Met debut.

Now that Comden and Green have worked in an opera house, they are willing to try it again. After all, Comden said, "it's still the theater."

The Role of a Lifetime

Wanamaker's Career Hits Zenith With Electra

By Dinitia Smith
New York Times Service

NEW YORK — In the new production of "Electra" at the Barrymore Theatre, Zoe Wanamaker comes out onstage like a fist. "Divine light, sweet air, again hear my pain," she says in Electra's opening speech.

Tiny with an upturned nose, glinty eyes, and a coat that is too big for her, Wanamaker looks like an adult whose soul has somehow been arrested in childhood. Because she can neither avenge the murder of her father, Agamemnon, nor forgive her mother, Clytemnestra, and her lover, Aegisthus, Electra remains suspended between childhood and womanhood. "I'm a childless woman who is melting away," Electra says.

"She's a meteoric soul," Wanamaker said of the character she has been playing on Broadway to standing ovations since November.

The reviews for the production, Frank McGuinness's adaptation of Sophocles's play, were strongly positive. In The New York Times, Peter Marks called Wanamaker "astounding."

Electra is one of the theater's most taxing roles. She is a passive figure around whom events swirl. (Only in Euripides's version of the myth is Electra even present when her brother, Orestes, finally murders their mother in revenge for their father's death.) The part requires an actress who can transform suffering into action.

It is the role of Wanamaker's career, and despite the exhaustion of eight shows a week, she is exhilarated. "I knew," she said, in an interview in her Chelsea apartment, "I knew America would love it."

The agile Wanamaker, 49, jumped up to demonstrate her point, clapped her hands, clenched her fists, giggled.

Darting about to make tea, rolling her own cigarettes, she is very different from the grief-riven figure at the Barrymore. Patches of her head are shaved and reddened onstage to look as if she has been tearing her hair out. "I wanted her to look horrible, like hell," Wanamaker said gleefully.

Onstage, Electra is in stark contrast to



She calls Electra, a taxing role, "a meteoric soul."

her mother, Clytemnestra, played by Claire Bloom in a filmy, low-necked red dress. "Her mother who has abused her," Wanamaker said. "She hates her. But she's her mother."

Wanamaker's performance is the result of a long accumulation of personal experience. In a sense, she has been training for the role for 25 years.

"She has played alongside more great actresses — Jane Lapotnik, Judi Dench — than any other actor in the British stage," the director and playwright David Hare said in a telephone interview from London. Wanamaker has appeared in several of his plays.

And as with Electra, Wanamaker has lived in the shadow of a powerful and beloved father, Sam Wanamaker, the American actor and director who for years campaigned to build a replica of Shakespeare's Globe Theatre in London. Wanamaker's mother was the actress Charlotte Holland.

Sam Wanamaker was "an extraor-

dinary, huge, imposing, rather wonderful, dignified person," said Howard Davies, who directed Wanamaker in "Plaf." "Zoe adored him. She wanted to follow in her father's footsteps, make moral decisions about her work."

Sam Wanamaker died in 1993 and Holland in 1997, both from cancer. "There are some performances when you can scream and shout and hang onto the curtains, and you don't feel it," Wanamaker said. But her grief in this performance is authentic, she said. "This has a lot to do with the loss of my parents."

Wanamaker was born in New York in 1949. The family moved to London when Wanamaker was about 3. Her father was later subpoenaed by the House Committee on Un-American Activities and was subsequently blacklisted.

Wanamaker enrolled at the Central School of Speech and Drama in London. "My ambition was to work in British repertory theater as much as I could. That was the training my parents believed in."

She made her professional debut as Hermia in "A Midsummer Night's Dream." Early on, Hare directed her in a production of "The Provoked Wife."

"She was the most extraordinary mixture of self-confidence and self-doubt of any actor I've worked with," he said.

For 12 years on and off, Wanamaker worked in the Royal Shakespeare Company.

But because of her perky looks, she was often cast in soubrette roles. "She forced her way into being what she does now," said her husband, the actor and writer Gawn Grainger. "A great classic actress."

She broke through, she said, as Tessa, "a very smart, bright businesswoman who changed her career and started to work for famine relief," in the BBC series "Love Hurts" from 1992 to '94.

The role of Electra came about at the suggestion of the production's director, David Leveaux. He recalled: "I said: 'Don't you think it's time you had a really good scream? Why don't we do something we really want to do, something that is dangerous and a challenge?' I wanted to see her go up and show what she's got."

This Was the Year That Wasn't

By Sheridan Morley
International Herald Tribune

LONDON — It has, in essence, been one of those years; the miracle was not that there was much theater, but that there was any theater at all.

Briefly to recap: We now have a pre-millennial breakdown in which no single state-subsidized company, be it drama or opera or dance, is not in some kind of artistic, managerial, financial or architectural meltdown. The still new government has, despite many promises to the contrary (politicians in Britain are always wildly pro-arts until they take office), behaved vastly more appallingly to all arts organizations than was even dreamed of by John Major or Margaret Thatcher.

The Lottery has been an unqualified disaster, encouraging hitherto solvent theaters to embark on ludicrously overambitious building projects that not only can now never be completed, but even if they were to be, could never be filled by paying audiences.

Apart from those in government, the roll call of guilty men can only be started in the space available here. First, Stephen Daldry, for announcing his imminent departure from the Royal Court when the burrowing under Sloane Square for rebuilding had only just begun and still shows no sign of ending. Daldry again, for allowing (with others) the impression to spread through the press that the Old Vic had been "saved," when in reality all that has been achieved is what was already available under much of the British regime, a rent-free availability but no actual cash for productions or advertising, or even for paying the ushers.

Adrian Noble, for failing to resign honorably as director of the Royal Shakespeare Company at a time when the company is clearly in midlife crisis, uncertain of what it should be playing where and for whom, reeling around

from West End transfers to a half-out-the-door policy at the Barbican. The Barbican would be vastly better off (as has been demonstrated all summer) were the RSC to quit entirely and leave John Tusa to program his admirable world-theater seasons without having to unscramble them again when the RSC does deign to limp briefly in from Stratford, having first made sure that any likely winners it happens to have hit upon (such as the current Robert Lindsay "Richard III") go straight into the more commercially satisfying West End.

Oh yes, Daldry again, this time for tearing the hearts out of two beautiful West End theaters (the Ambassadors and the Duke of York's) while cluttering up a third with his endless "An Inspector Calls," thereby ensuring that almost half the stock of good and small commercial theaters is locked off. If you then count the others occupied on a full-time basis by "The Mousetrap" and "Woman in Black" and the Reduced Shakespeare Company, you begin to understand why countless small-scale shows around the country and the fringe all year have totally failed to find a home in central London.

Shall we continue? Robert Lindsay, Anthony Hopkins and Ian McKellen, for giving a series of deaf interviews announcing their hatred of the stage, critics, audiences and their chosen profession in various degrees. Hopkins at least retains a vestige of a sense of humor. "Still, shouting at night," he asked a fellow actor who had not given it all up for the money, "thereby conning about the best description of the stage actor's life I have heard."

David Hare, for — after giving us two great treats in "Amy's View" and his own "Via Dolorosa," both now Broadway-bound — reducing Schnitzler's great and complex "Reigen" ("La Ronde") to "The Blue Room," a series of revie sketches with which even Hol-

lywood-based movie actresses would have little difficulty. That it should be Nicole Kidman who made the headlines this year, and not her Hollywood colleague Kevin Spacey in the infinitely more tricky and courageous "Iceman Cometh," seems to me just one example of how totally skewed are our theatrical priorities and attitudes.

Trevor Nunn, for turning the National Theatre into a kind of National Theatre Haymarket, full of weary warhorses.

You'd like a few heroes to cheer us into the New Year? Ian Albery, for getting Sadler's Wells open again in the teeth of incredible hostility and the usual governmental treachery: Sam Walters, for continuing to prove at the Orange Tree, Richmond, that nothing can beat a 30-year tenure, an absolute refusal to get sidetracked into movies or television or transfers, and a total commitment to doing one show on one stage for one local audience that he knows as surely as any great hotelier or restaurateur.

Braham Murray, for getting the Royal Exchange Manchester reopened after the bombing in June 1996, and incidentally performing a tremendous gesture of solidarity and confidence in the city center. Dulcie Gray, for deciding only weeks after the death of her husband and partner, Michael Denison, that she would spend the next year on the road in a first staging of "The Ladykillers," as if to reaffirm the importance of regional touring, which was always at the heart of their partnership.

And Peter Hall, for maintaining against all odds a company that only finally foundered as we reached Christmas. That it is he who should now be trying to make a living in America, while the companies he created at Stratford and the National are being so badly run by those he indirectly trained and sponsored, seems to me the bleakest joke of all.

And all I can do now, in wishing you the happiest of new years, is to promise to look on the bright side of theater in 1999, just as soon as I can find it.

RUSSIA IN THE AGE OF PETER THE GREAT

By Lindsey Hughes
602 pages, \$35, Yale

Reviewed by
Richard Lourie

PETER was a giant. At 6-foot-7 he towered above his contemporaries and towers still, his character and legacy now more than ever a matter of furious dispute among Russians, as once again they argue whether or not to follow the West.

Nabokov saw the man who ruled Russia from 1682 to 1725 as an "arch bully"; Solzhenitsyn saw him as a "wild whirlwind." One contemporary St. Petersburg historian views him as "the creator of the administrative command system and the true ancestor of Stalin," but an equally good case can be made for him as a forerunner of Gorbachev.

As the author of this study notes, both leaders "challenged old orthodoxies, broke down walls" and "acknowledged the need to learn from

the West" with the difference that "whereas Peter presided over the consolidation and expansion of empire, Gorbachev precipitated its collapse."

But many Russians also saw Peter as destructive. Conservative religious people viewed him as nothing less than the Antichrist. Others, while acknowledging his contribution — Nikolai Karamzin, the country's first major historian, estimated that without Peter, Russia would have needed 600 years to catch up — shared the judgment of a later commentator, who said: "Russia achieved the status of a European power at the cost of ruining the country."

What did Peter accomplish, and at what cost and with what relevance to today's dismal and humiliated Russia? The standard image of Peter is of the leader who violently wrenched Russia from savage ignorance to the present tense of history — creating a navy, modernizing the army, founding St. Petersburg, stimulating capitalism, and reforming the administration so that everyone served the state.

In a word, he transformed Russia from a "malignant nation on the fringe of European affairs, engaged mainly in feeding off the attacks of its neighbors, to a world power with a pro-active role in international politics."

Recognizing that Peter has become a legend, a symbol and the subject of a "personality cult," Lindsey Hughes wisely sidesteps the problem in the way she titles her book, stressing the country over the ruler, and in withholding a purely biographical portrait of Peter until the end.

Neither a debunker nor a revisionist, Hughes is more a contextualizer and, if such a word can exist, a nancer. Her intent is to depict the age, dominated by Peter but nevertheless larger even than that larger-than-life ruler, and to demonstrate that while much of the myth of Peter is based in fact, the very act of shading in the details can change an icon to a portrait, warts and all — or, as in Peter's case, a fearsome tie that distorted his face. Without denying the obvious — there was no Petersburg until he built it, no navy until he decreed there be one — she points out that, for example, the army he supposedly single-handedly modernized was already organized well enough to have won significant wars before he was even born.

With 114 pages of footnotes and bibliography, this work is a vast and detailed corrective, which both adds some fresh historical material (the changing role of women, for instance) and includes some fine insights into Peter's accelerated sense of time — he was the first but hardly the last Russian leader to realize that survival meant catching up with the West.

In a nice touch, the author raises the question of how much compassion we should feel for a man who cut off his ears and heads in his relentless drive to modernize Russia, and directly participated in the torture of his son, Alexis, who, in a reversal of the usual father-and-son syndrome, wanted to return Russia to its old ways.

But it was precisely those old ways that Peter had dedicated his Herculean energy to destroying in the belief that "They, not I, are the tyrants." To that end, no project was too vast, no detail too small. Peter issued instructions on buttons for army uniforms, bayonet length, wagon wheels, the more regular arrangement of tombstones in graveyards, and how to eliminate the verbiage when translating texts from German.

In the end, he does deserve a measure of compassion because the task he set himself was so impossible when weighed against Russia's sullen inertia.

One of the many wonderful details the author has unearthed is the passage of a law punishing litterers with the knout (a leather whip). As much as anything else, that minor piece of legislation encapsulates Peter's paradox, and Russia's, perfectly. Any behavior can be compelled by force except initiative and responsibility.

Can there be a 21st-century Peter the Great who will drag Russia by the scruff of its neck to the polling place and the market place? It doesn't seem likely.

Richard Lourie, author of "The Forthcoming Novel: The Autobiography of Joseph Stalin," wrote this for The Washington Post.

BEST SELLERS

The New York Times		Last week	
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on the list are not necessarily consecutive.			
FICTION			
The Week		Last week	
1	A MAN IN FULL, by Tom Wolfe.....	1	6
2	BAG OF BONES, by Stephen King.....	2	12
3	THE SIMPLE TRUTH, by David Baldacci.....	3	4
4	MIRROR IMAGE, by Danielle Steel.....	4	6
5	RAINBOW SIX, by Tom Clancy.....	5	19
6	THE POISONWOOD BIBLE, by Barbara Kingsolver.....	7	9
7	WHEN THE WIND BLOWS, by James Patterson.....	8	7
8	ALL THROUGH THE NIGHT, by Mary Higgins Clark.....	9	8
9	THE VAMPIRE ARCADE, by Anne Rice.....	10	9
10	MEMOIRS OF A GEISHA, by Arisa Andros.....	11	57
11	THE LOCKET, by Richard Paul Evans.....	12	9
12	CHARMING BILLY, by Alice McDermott.....	13	7
13	TODAY I FEEL SILLY & OTHER MOODS THAT MAKE MY DAY, by Jane Lee Curtis.....	14	8
14	A NIGHT WITHOUT ARMOR, by Joel Richter.....	15	13
15	THE NIGHT BEFORE CHRISTMAS, by Clement Moore.....	16	2
NONFICTION			
1	THE GREATEST GENERATION, by Tom Brokaw.....	3	2
2	THE CENTURY, by Peter Jennings and Todd Bretting.....	4	1
3	TUESDAYS WITH MORRIE, by Michael L. Ross.....	5	62
4	BLIND MAN'S BLUFF, by Sherman Sorag and Christopher Drew.....	6	4
5	THE PROFESSOR AND THE NADMAN, by Simon Winchester.....	7	13
6	THE AMERICAN CENTURY, by Harold Evans with Gail Buckland and Ken Baker.....	8	4
7	THE ENLIGHTENMENT, by Candice Alexander.....	9	2
8	FOR THE LOVE OF THE GAME, by Michael Berg.....	10	7
9	LINDBERGH, by A. Scott Berg.....	11	12
10	THE TEN COMMANDMENTS, by Sharon L. Wolfinbarger and Carol Saline.....	12	14
11	BEST FRIENDS, by Sharon L. Wolfinbarger and Carol Saline.....	13	1
12	A WALK IN THE WOODS, by Bill Bryson.....	14	27
13	CONVERSATIONS WITH GOD: Book 3, by Neale Donald Walsch.....	15	6
14	A PIRATE LOOKS AT FIFTY, by Jimmy Buffet.....	16	26
15	THE VICTIMS, by Stephen E. Ambrose.....	17	3
ADVICE, HOW-TO AND MISCELLANEOUS			
1	THE 9 STEPS TO FINANCIAL FREEDOM, by Suze Orman.....	1	37
2	THE GUINNESS BOOK OF RECORDS 1999.....	2	3
3	GREAT POLITICAL WITS, by Bob Dole.....	3	1
4	EMERIL'S TV DINNERS, by Emeril Lagasse with Nicole Bremont and Edna Wills.....	4	1

CROSSWORD

ACROSS

1. Strappings
6. Starred rabbit
10. That's — to me!
14. Sierra Club concern: Abbr.
15. One barred from a U.N. no-fly zone
16. Say again
17. Now Olive categorized has nests?
20. Smoothly change the subject
21. — always say
22. Say
23. Ideas, bits or Nets
25. California Grenache, e.g.

DOWN

2. It might bring you up to scratch
3. Wrestling hold for a necktie?
35. — number on
36. Zola heroine
37. Musically flowing
38. — Haas, Ind.
40. They precede idols, for short
42. Colchester's county
43. Ruler with a table
45. — type, briefly
47. Caspian catcher?
48. Organized briefly
50. Pull troupe, e.g.

ACROSS

51. Zone
52. Sticks around a
53. Standard product
54. Bird marker, maybe
55. — is human
56. Spokes
57. Dreadlocks wear
58. Informally
59. Paratche
60. Boleyn's target
61. Contemplative ones
62. Pattern of behavior

DOWN

1. Chair supports
2. Growing room
3. Old Plute
4. Magnifying glass carrier, maybe
5. — Mamma
6. But, e.g.
7. Widespread
8. Wiggle
9. The dark side
10. Rainy day reserves
11. Quito's country: Abbr.
12. "Come again?"
13. Step on it
14. Rebel leader of '81

ACROSS

19. J. P. Morgan founded it
24. That's it
26. Standard product
27. Bird marker, maybe
28. — is human
29. Spokes
32. Dreadlocks wear
33. Had a horn-cooked meal
34. Went a round
35. Atomic particle
36. Concern for a blood type
41. Traffic ruler
44. Feet bad about
45. One or more
46. Come to the point?
49. Whence the word "golem"

DOWN

1. Chair supports
2. Growing room
3. Old Plute
4. Magnifying glass carrier, maybe
5. — Mamma
6. But, e.g.
7. Widespread
8. Wiggle
9. The dark side
10. Rainy day reserves
11. Quito's country: Abbr.
12. "Come again?"
13. Step on it
14. Rebel leader of '81

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THE WORLD'S DAILY NEWSPAPER

Frenzy Over Internet Stocks Propels Schwab to New Heights

By Joseph Kahn
New York Times Service

NEW YORK — A few weeks ago, it seemed as if American corporate giants need not worry too much about the Internet. After all, if upstart companies that specialize in on-line commerce were ever to realize investors' much-hyped profit and revenue expectations, Fortune 500 members could always just buy them.

No longer. The explosion in share prices of companies linked to the on-line world has been so spectacular that the market values of some Internet companies are eclipsing those of more established competitors, even when the on-line companies still lag badly in terms of profits and revenues.

This week, the Internet lodged another such milestone, this time shaking some core assumptions in the finance industry. The market value of the San Francisco-based discount broker Charles Schwab & Co. — whose business is focused on the Internet — reached \$25.5 billion Monday, putting it ahead by a nose of the industry standard-bearer and Wall Street heavyweight, Merrill Lynch & Co., which was worth \$25.4 billion at the close of trading.

Investors have also been snapping up shares of Internet retailers after data showed strong growth in Internet shopping. Trading in Internet stocks was mixed Tuesday. (Page 12)

This meant that Schwab's market capitalization sank back below Merrill's, and Wall Street investors still value one big investment bank, Morgan Stanley Dean Witter Inc., above both Schwab and Merrill.

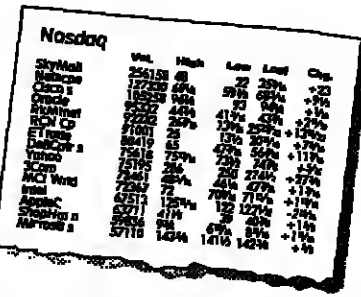
But Schwab's helicopter-like ascent — its shares had risen 70 percent in the space of eight trading sessions through Monday — is unusual, analysts said, both in its speed and perhaps in its challenge to the way Wall Street treats the on-line craze.

Consider that just two weeks ago, the market was awash with unconfirmed rumors that Merrill might consider buying Schwab to give it a presence on-line, a possibility that now seems far-fetched.

"Merrill has to be concerned about this," said Richard Strauss, securities industry analyst for Goldman, Sachs & Co. "There is significant value in Merrill for many reasons. But the Internet is clearly something that they have to make a top priority."

Schwab has been swept up in the Internet stock frenzy. America Online Inc., perhaps the best-known Internet entertainment and commerce company, recently surpassed Walt Disney Co. in market value. Amazon.com Inc., the on-line book-seller, has a market value well above the combined values of two leading rivals, Barnes & Noble Inc. and Borders Group Inc., whose businesses are still concentrated in conventional retailing.

Schwab, unlike Merrill and other rivals, has transformed itself from a traditional broker, albeit one that specialized in discounted fees, into a company that does most of its business on-line. Merrill, meanwhile, has delayed plans to offer a



Closing stock prices on Monday reflect the surge in enthusiasm for anything related to the Internet.

See INTERNET, Page 12



Housewives in Lahore protesting hardships caused by inflation earlier this year.

Going Down? Pakistan by the Numbers		
Indicator	Third quarter 1997 vs. third quarter 1998	
Growth in money supply (M2)	.81%	↓ .15%
Borrowing for budgetary support (in billions of rupees)	13.39	↓ 48.49
Exports (in billions of dollars)	2.02	↓ 1.83
Imports (in billions of dollars)	2.64	↓ 2.07
Trade balance (in millions of dollars)	-620	↓ -239
Foreign remittances (in millions of dollars)	482	↓ 301
Foreign exchange reserves	\$ 1.17 billion	↓ \$ 595.5 million

Source: Government of Pakistan

NYT

Housewives in Lahore protesting hardships caused by inflation earlier this year.

In Pakistan, an Imploding Economy

International Fallout From Nuclear Tests Rocks Teetering Industry

By Miriam Jordan
Special to the Herald Tribune

LAHORE, Pakistan — Over the years, Tariq Saigol has built up a blue-chip international clientele and a reputation for supplying quality fabrics for American and European home furnishings. Then in May, Pakistan conducted nuclear tests, sending an already fragile economy on a downward spiral and forcing Mr. Saigol to launch his own damage-control exercise.

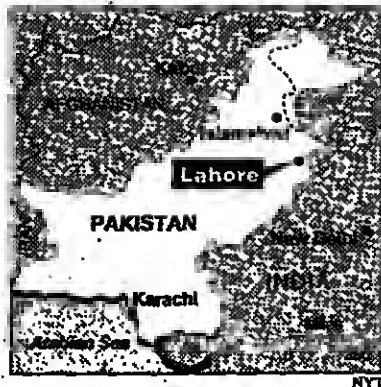
"I have had to go and hold the hands of reputable companies to assure them that they'll get their goods," said Mr. Saigol, chairman of Kohinoor Maple Leaf Group, one of the largest conglomerates in Pakistan. Earlier this month, Mr. Saigol dispatched two senior executives to the Charlotte, North Carolina, headquarters of Springs Industries Inc., a major client, "just to tell them we have enough resources to manufacture and deliver their goods," he said. It is a grim state of affairs for an industrialist whose father, a migrant from Calcutta, started the first textile mill in Pakistan after partition in 1947. But at least Kohinoor is surviving.

In the mansions of this pleasant, tree-lined city in Pakistan's cotton belt, conversation these days inevitably drifts to the dozens of textile mills that are idle since the nuclear blasts. People worry about social upheaval: Islamic fundamentalism is becoming more appealing to the poor, disaffected youth in urban areas.

Indeed, the nuclear tests and their aftermath seem to confirm what many have known for years: This impoverished state desperately needs an economic overhaul.

Before this country of 140 million people detonated nuclear bombs, the economy was expected to expand 5 percent this year. But key indicators for the first fiscal quarter, which ended Sept. 1, paint the picture of an economy that has virtually ground to a halt.

Exports fell by 9.3 percent and imports by 21.5 percent against the same period last year. Remittances from Pakistani workers abroad fell by 37.6 percent from 1997. Inflation was 6.7 percent, down from 11 percent in 1997, but



independent economists estimate the actual figure is about twice as high.

"It's like plywood coming undone," said a foreign envoy in Pakistan. "Here's a new nuclear power, and the economy is in the process of self-destruction."

Meanwhile, Pakistan's population grows at 3 percent annually. Social services are virtually nonexistent in much of the country. In Lahore, considered the cultural capital, there are often 100 students to a single teacher in state elementary schools, and no desks, chairs or chalkboards. About two-thirds of all Pakistani women are illiterate.

Shahid Karder, an economist and director of software consulting firm Sys-tems Ltd. in Lahore, said, "The state and private sectors are unable to provide jobs at a pace at which people are looking for jobs."

Late last month, Pakistan reached an agreement with the International Monetary Fund that could lead to a \$5.5 billion rescue package, including rescheduling of private debt. Although the deal has yet to be approved by the Fund's board, Pakistani leaders hailed the agreement as a victory. Islamabad had been on the brink of defaulting on its \$32 billion foreign debt with its reserves dipping below \$500 million.

Finance Minister Ishaq Dar said that Pakistan would avoid defaulting on its external debt as its reserve had climbed to \$1.021 billion after it received \$325 million from the United States for jet fighters Pakistan paid for but never received, Bloomberg News reported Tuesday. That will be enough to cover the \$230 million in debt payment Pakistan has to pay next month, Mr. Dar said.

But Pakistan needs more than emergency aid to create a viable economy. The IMF has long sought for Islamabad to widen the tax net, crack down on corruption and undertake structural reforms in its banking sector. Revamping the inefficient state water and electricity utility, one of the biggest drains on government finances, is also a must.

With the IMF deal, "We got a breather that will see us through the next six to eight months," Mr. Karder said.

See PAKISTAN, Page 17

Debt Deadline Puts Russia on Defensive

Compiled by Our Staff From Dispatches

MOSCOW — Russia looks set to default on a \$362 million payment on its Soviet-era debt to commercial banks, due Tuesday, after it failed to persuade enough holders of the debt to restructure the payment.

Debt holders said they had expected Russia to miss the payment on bonds that were issued in late 1997 to restructure debt it inherited from the Soviet Union.

"It was clear from the beginning when the government announced it will begin restructuring on its own that this was a default," said Alexei Zabolotnikov, a bond analyst at United Financial Group.

Russia originally defaulted on what is

now about \$10 billion in domestic debt on Aug. 17. Last month, Russia asked creditors to accept new bonds in place of the \$362 million interest payment. Not enough creditors agreed to that, so Russia was supposed to make the cash payment Tuesday. But Russia maintains that it will not be making any such payment.

Bank of America, representing the creditors, said Tuesday that foreign banks were seeking legal clarification over what would be necessary to restructure the loans.

Russia has said two-thirds of the creditors needed to agree on a restructuring for it to take force, while the London Club of commercial bank creditors has said 95 percent was necessary.

By last week, Russia had gained support from 72 percent of its creditors for the debt-restructuring proposal.

The International Monetary Fund suspended payments in August on a \$22.4 billion loan package it negotiated after Russia defaulted on 281 billion ruble (\$14.14 billion) of domestic debt.

(Bloomberg, Reuters)

Police Investigate Central Bank

Police are investigating whether the Russian central bank illegally channeled \$1 billion into its own overseas accounts, Interior Minister Sergei Stepashin was quoted as saying by the Interfax news agency, according to Agence France-Presse.

Tietmeyer Foresees Euro-Spurred Job Growth

By Barry James
International Herald Tribune

PARIS — The president of the Bundesbank, Hans Tietmeyer, predicted Tuesday that the European single currency, due to go into effect Friday, would help create more jobs by stimulating cooperation among regions.

Mr. Tietmeyer said the currency, the euro, could promote more investment and greater dynamism, thus creating jobs. But he added in an interview with German radio that the 11 nations adopting the currency would have to cooperate more closely in order to reap its benefits.

"We need a higher degree of political

cooperation on the European level," he said. "If everyone takes a separate path, this could lead to a conflict with supranational monetary policy."

European Union finance ministers will meet in Brussels on Thursday to set the irrevocable rates at which the currencies of the 11 participating countries will enter the single currency.

The euro will be roughly equivalent to the present European Currency Unit, which is based on a basket of currencies. Some recalculation will be necessary because the British pound, while part of the ecu, will not be among the currencies that will vanish as independent entities to make way for the euro.

The finance ministers also are scheduled to confirm Denmark and Greece as members of the European exchange rate mechanism, or ERM, as a prelude to their possible entry into the single currency at a later date.

With the imminent arrival of the currency, many business leaders in the non-participating countries are regretting their governments' decision to stay out. "Our main competitors are in the euro zone, and if Sweden would have joined the single currency, our costs would have been several hundreds of millions of kronors less," said the carmaker Volvo AB's director of European strategy, Lars Persson.

CURRENCY & INTEREST RATES

Cross Rates											
	USD	EUR	GBP	JPY	AUD	NZD	HKD	TWD	SGD	THB	MYR
Australia	1.00	0.65	0.60	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Brazil	1.00	2.75	2.50	275.00	2.25	1.75	27.50	825.00	13.75	387.50	17.50
Canada	1.00	0.70	0.65	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
France	1.00	1.00	0.65	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Germany	1.00	1.00	0.65	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Italy	1.00	1.00	0.65	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Japan	1.00	1.00	0.65	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
South Africa	1.00	0.65	0.60	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Switzerland	1.00	0.65	0.60	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Taiwan	1.00	0.65	0.60	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Thailand	1.00	0.65	0.60	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
UK	1.00	0.65	0.60	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
US Dollar	1.00	0.65	0.60	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Other Dollar Values											
Canada	0.70	0.45	0.42	42.00	0.35	0.27	4.20	12.75	0.63	17.75	0.82
France	0.65	0.42	0.40	40.00	0.33	0.25	4.00	11.75	0.59	16.75	0.78
Germany	0.65	0.42	0.40	40.00	0.33	0.25	4.00	11.75	0.59	16.75	0.78
Italy	0.65	0.42	0.40	40.00	0.33	0.25	4.00	11.75	0.59	16.75	0.78
Japan	0.65	0.42	0.40	40.00	0.33	0.25	4.00	11.75	0.59	16.75	0.78
South Africa	0.65	0.42	0.40	40.00	0.33	0.25	4.00	11.75	0.59	16.75	0.78
Switzerland	0.65	0.42	0.40	40.00	0.33	0.25	4.00	11.75	0.59	16.75	0.78
Taiwan	0.65	0.42	0.40	40.00	0.33	0.25	4.00	11.75	0.59	16.75	0.78
Thailand	0.65	0.42	0.40	40.00	0.33	0.25	4.00	11.75	0.59	16.75	0.78
UK	0.65	0.42	0.40	40.00	0.33	0.25	4.00	11.75	0.59	16.75	0.78
US Dollar	0.65	0.42	0.40	40.00	0.33	0.25	4.00	11.75	0.59	16.75	0.78
Forward Rates											
Canada	1.00	0.70	0.65	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
France	1.00	1.00	0.65	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Germany	1.00	1.00	0.65	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Italy	1.00	1.00	0.65	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Japan	1.00	1.00	0.65	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
South Africa	1.00	0.65	0.60	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Switzerland	1.00	0.65	0.60	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Taiwan	1.00	0.65	0.60	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
Thailand	1.00	0.65	0.60	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
UK	1.00	0.65	0.60	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65
US Dollar	1.00	0.65	0.60	106.50	0.70	0.55	7.75	23.75	1.25	35.50	1.65

Global Private Banking

TRULY EXCEPTIONAL SERVICE
STARTS WITH CAREFUL LISTENING.

In private banking, as in every business, there are short cuts.

For example, it may make sense to some banks to offer "standardized" service that meets the needs of one and all. More or less.

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It is why your Republic Account Officer makes sure to obtain a precise picture of your financial goals, time frame, risk acceptance and other key factors. He keeps these constantly in mind as he looks after your interests.

So year after year, you can count on us for the exceptionally complete, timely and personalized service that makes Republic truly unique.

World Headquarters of Republic National Bank of New York in New York

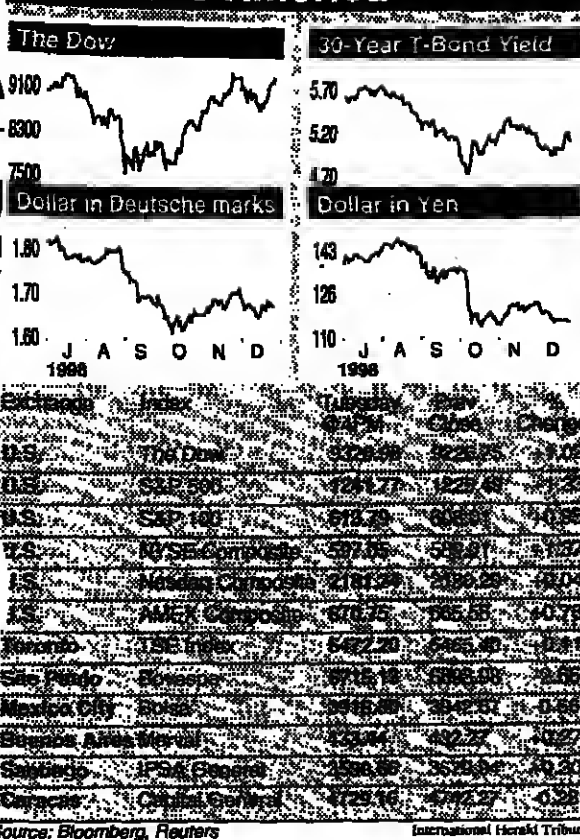
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THE AMERICAS

Investor's America



Very briefly:

- **Halliburton Co.**, a Dallas-based supplier to the petroleum industry, said it would lay off 2,750 workers in its Energy Services Group, in addition to 5,550 layoffs announced in October, because of the slump in oil prices and customers' plans to reduce spending in 1999.
- **Sunoco Inc.**, a Pennsylvania oil company, said it had completed a \$150 million stock repurchase program, reducing its shares outstanding to 90.4 million from more than 107 million in 1995, and authorized a new buyback of the same size.
- **IBP Inc.**, a Nebraska beef and pork supplier, said fourth-quarter earnings would exceed expectations, quadrupling from \$22 million a year ago because of improvements in its fresh-meat business.
- **Marriott International Inc.** said it had agreed to sell eight assisted-living centers for the elderly to **Aureus Group LLC** for \$140 million but would continue to manage them.
- **Banco Santiago** of Chile said it would not pursue control of Banco Torquero of Argentina, Banco de Asunción of Paraguay, and Bancosur of Peru from O'Higgins Central Hispanoamericano SA, after the unit of Banco Central Hispanoamericano SA of Spain declined to extend a Dec. 31 deadline to reach acceptable terms.
- **Heary Schein Inc.** agreed to buy General Injections & Vaccines Inc. for \$65 million, plus up to \$5 million based on performance targets.

Conoco to Cut 6% of Work Force

HOUSTON—Conoco Inc., the sixth-largest U.S. oil company, said Tuesday that it would cut 975 jobs, or 6 percent of its workforce, and since its budget for finding and extracting oil and natural gas by about 28 percent because of low energy prices.

The company said it would take a charge of \$50 million against fourth-quarter earnings to cover the moves. The job cuts will save an estimated \$60 million a year.

Shoppers May Be Warming to Net, Holiday Estimates Show

By Leslie Kaufman
and Saul Hansell
New York Times Service

NEW YORK—Estimates of U.S. holiday sales by Internet retailers reveal a big season—even stronger than predictions that earlier this month had seemed overblown.

The sales increases were realized despite glitches that forced consumers to suffer indignities such as being denied access to retailers' Web sites and holiday gifts that did not arrive on time as promised.

The most optimistic estimates of holiday sales came from a subsidiary of InterPublic Group of Cos., whose survey of 1,000 consumers suggested that on-line sales would reach \$5 billion. That would be four times the total sales last year on the Internet between Thanksgiving and Christmas and twice expectations for this year of \$2.3 billion.

Boston Consulting Group and Shop.org, an industry group for electronic retailers, said that year-over-year sales grew 230 percent in the holiday season that just ended. Apparel sales were particularly strong, growing to \$300 million from less than \$100 million in 1997, Boston Consulting said. In addition, the average order was \$55, up 6 percent from last year's average.

While the data, released Monday, were preliminary, they sent many e-commerce stocks soaring as the market got its first glimpse of the Internet serving a mass retail market.

Still, all these projections were

very preliminary—most retailers will not release actual sales figures until mid-January—and even the most optimistic would be far less than 1 percent of the estimated \$2.6 trillion in retail sales in the United States for the year.

To put the estimates in perspective, Wal-Mart Stores Inc., the largest retailer in the world, had \$118 billion in sales in 1997—more than 23 times the most optimistic estimate of all holiday retail sales on the Internet this year.

That led many analysts to remain skeptical of the wave of investor euphoria generated by the data.

"There is not enough evidence to justify" InterPublic's \$5 billion estimate, said James McQuivry, a senior analyst at Forrester, an independent market research firm that specializes in Internet commerce.

Moreover, the strong showing did not exactly cause jaws to drop. If an established company such as IBM had reported such increases, it would have been the business equivalent of an Elvis sighting. But Internet sales have been growing rapidly all year.

Julie Wainwright, chief executive of Reel.com, an on-line video store that was recently purchased by Hollywood Entertainment, explained: "Our business is up seven times from last year. But that is not a surprise really. December is up 25 percent from November, and November was up 40 percent from October."

Furthermore, examining just percentage rates of growth can be mis-

leading because on-line retailers started with such a small revenue base compared with their brick-and-mortar peers.

Still, the numbers, the first of the post-holiday season, appeared to confirm the potential of the World Wide Web for further expansion.

The shares of electronic retailers—including some as SkyMall

Inc., an in-flight catalog retailer with only a fledgling business on the Internet—rose broadly after the data were released. But it was unclear whether small electronic merchants benefited from the holiday on-line frenzy experienced by the largest Internet retailers. Boston Consulting tracked only the leading electronic retailers in 17 gift categories.

Of most significance to potential investors and e-commerce watchers was the growth of new on-line shoppers. Wendy Brown, director of electronic commerce at America Online Inc., said that a review of holiday figures from the service showed that "at any given point, 20 percent of the people on-line are there for the first time."

Fund Managers Flock to Blue-Chip Issues

Compiled by Our Staff From Tokyo

NEW YORK—Stocks rose higher Tuesday as fund managers snapped up blue-chip issues before the end of the year. Strong retail issues also lifted prices.

The Dow Jones industrial average closed 94.23 points higher at 9,320.98, bringing it within striking distance of its record high of 9,374.77. The Standard & Poor's 500 index eclipsed its previous record, rising 16.28 points to a new high of 1,241.77.

Gaining issues outnumbered losing ones by a 4-to-3 ratio on the New York Stock Exchange.

But the Nasdaq composite index, which has been setting records in recent days, finished just 0.88 point higher at 2,181.18 as investors took some profits on technology shares.

Analysts said portfolio managers are adding blue-chips, which have lagged technology issues in recent days, onto the books before the end of the year.

Retailing stocks also found favor after indications that the Christmas

shopping season would produce modest sales gains.

"The whole tone of the economy right now remains robust and ebullient," said Ned Riley, chief investment officer at BankBoston

U.S. STOCKS

Corp. "As long as it appears that the consumer is willing to spend, stocks will do particularly well."

The latest report on U.S. consumer confidence bolstered the case for retail stocks. Confidence held near its recent high in December, buoyed by low unemployment and the weakest inflation in more than a decade, according to the Conference Board. The group's confidence index fell to 126.1 from November's revised 126.4. While the index declined, it is still high by historical standards.

"Consumers are still relatively optimistic about the economy," said Lynn Franco, a Conference Board economist. "As we enter

1999, the outlook for continued economic growth remains positive."

Wal-Mart, the biggest U.S. retailer, rose 2 1/2 to \$2.

But Internet stocks were a mixed bag after staging a gravity-defying rally on Monday. America Online fell 3 1/4 to 154, Rocky Mountain Internet fell 9 1/2 to 16 and Amazon.com lost 15 1/2 to 332.

But SkyMall, an in-flight catalog retailer that also sells merchandise on the Internet, rose 5 1/2 to 40 1/4.

ValueVision International was the most actively traded U.S. stock, rising 5 1/4 to 11 1/4 after the retailer, which operates a home-shopping television network and Internet site, said holiday TV sales surged 70 percent.

In the Treasury bond market, the price of the benchmark 30-year issue rose 30 3/4 to 102 1/4, sending the yield down to 5.09 percent from 5.16 percent Monday. Prices were lifted by strong demand for new two-year notes sold by the Treasury. (Bloomberg, Reuters)

INTERNET: Surge in On-Line Shares Propels Schwab

Continued from Page 11

limited on-line trading service until next year.

Analysts say that as on-line trading has soared, Schwab has maintained a 30 percent share of the business, amid competition from rivals such as E*Trade and AmeriTrade, services that focus exclusively on cut-rate on-line trading.

The company has watched the revenue it derives from each trade slide as investors switched to less expensive trading through its Web site. As recently as late last year, Schwab earned \$63 for every trade it handled, and now that average has fallen to \$53. But a sharp increase in the quantity of trades has more than made up for that loss.

"Schwab did a great job in turning the Internet to its advantage when it could easily have become a victim," said Bill Burman, an analyst at Credit Suisse First Boston.

Many analysts warn that the lop-

sided valuations placed on stocks of companies with the suffix ".com" have the classic symptoms of a financial bubble and will likely prove fleeting. Some say the same about Schwab's sudden rise, and indeed its valuation by some traditional measures seems extraordinary.

Schwab trades at about 50 times its projected profit next year, a ratio more familiar to the speculative Internet world than the brokerage community. Merrill trades at 15 times its forward earnings. That is despite the fact that Merrill handles \$1.4 trillion in client assets, three times what Schwab handles. Merrill's revenue in the last year totaled \$17.5 billion, seven times Schwab's.

"It just does not make that much sense for Schwab. These lofty multiples get applied to Internet companies that are not mature and are thought to have an enormous growth path ahead of them," said Guy Moskowsky, an analyst at Salomon Smith Barney. "I don't see how you apply

that kind of thinking to Schwab. It has been around for 25 years and has a more mature business."

Likewise, officials at Merrill say they are not about to overhaul their strategy because of daily changes in stock prices. "We have a long-term strategy that is global, that has been very successful in growing clients' assets, revenues and market share," said Jim Wiggins, a Merrill spokesman. "We are sticking to it."

Even if Merrill chose to do so, it might have a hard time mimicking Schwab's heavy Internet focus. Schwab has always sought to provide brokerage services at a low cost. That makes the company more vulnerable to competition from purely Internet companies than from full-service brokers such as Merrill, which compete in providing advice and financial planning. Moreover, Merrill has a network of 14,000 brokers who would likely resist any plan to shift a large proportion of the firm's business on-line.

Concern About Economy Hurts Dollar

Bridge News

NEW YORK—The dollar fell against other major currencies Tuesday on concerns that the U.S. economy might still feel the effects of global economic problems in 1999.

These worries were fueled by

FOREIGN EXCHANGE

comments from Treasury Secretary Robert Rubin, who said there were still risks to the U.S. economy from global economic woes. He declined to say whether he thought the worst of the global financial crisis was over.

Russia's apparent failure to repay its dollar-denominated debt, accompanied these worries. The dollar was dragged lower when Russian officials could not confirm whether a paying agent of the Russian government had made a

\$362 million payment due Tuesday to the London Club of creditors.

A government official said last week that the payment would not be made, and creditors also said they did not expect to receive payment. A Russian official statement that Russia would not be legally in default if the payment were not made failed to calm the markets.

"This dollar is heavy, and the market is looking for any excuse to sell it," said Jeff Yu, senior trader at Sunam Bank.

In AP.M trading, the dollar fell \$115.465 yen from 115.860 yen Monday. It fell to 1.6725 Deutschmarks from 1.6760 DM, to 5.6097 francs from 5.6210 francs and to 13.677 Swiss francs from 13.683 francs. The pound rose to \$1.6827 from \$1.6762.

The Trib Index				
Jan. 1, 1992 = 100	Level	Change	% change	Year to date % change
World Index	205.25	+0.89	+0.44	+19.26
Regional Indexes				
Asia/Pacific	89.03	+0.72	+0.82	-7.33
Europe	238.17	+0.62	+0.26	+23.38
N. America	293.25	+3.19	+1.10	+35.77
S. America	81.84	-1.03	-1.24	-46.39
Industrial Indexes				
Capital goods	304.80	-1.16	-0.38	+47.55
Consumer goods	250.87	+3.90	+1.58	+19.67
Energy	204.39	+1.35	+0.66	+4.84
Finance	140.24	+0.44	+0.31	+14.05
Miscellaneous	196.81	-0.91	-0.48	+31.31
Raw materials	167.64	-1.01	-0.60	+0.24
Utilities	219.42	+2.35	+1.08	+25.88
Services	166.83	+0.63	+0.34	+11.96

The International Herald Tribune World Stock Index tracks the U.S. dollar value of 280 International investable stocks from 25 countries.

Compiled by Bloomberg News.

AMEX

Tuesday's 4 P.M. Close

The 200 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press.

Stock

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U. S. STOCK MARKET DIARY

Dec. 29, 1998

High Low Last Chg. Opt.

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INTERNATIONAL FUTURES

Dec. 29, 1998

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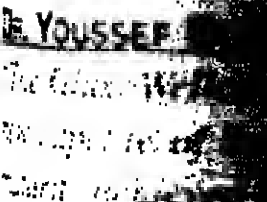
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Tuesday 3-4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

Sl. No.	Name of the Candidate	Grade	Roll No.	Mark	Percentage	Result
1	ABHINAV K S	B	101	85	85.00	Pass
2	ADARSH K S	B	102	85	85.00	Pass
3	ADARSH K S	B	103	85	85.00	Pass
4	ADARSH K S	B	104	85	85.00	Pass
5	ADARSH K S	B	105	85	85.00	Pass
6	ADARSH K S	B	106	85	85.00	Pass
7	ADARSH K S	B	107	85	85.00	Pass
8	ADARSH K S	B	108	85	85.00	Pass
9	ADARSH K S	B	109	85	85.00	Pass
10	ADARSH K S	B	110	85	85.00	Pass
11	ADARSH K S	B	111	85	85.00	Pass
12	ADARSH K S	B	112	85	85.00	Pass
13	ADARSH K S	B	113	85	85.00	Pass
14	ADARSH K S	B	114	85	85.00	Pass
15	ADARSH K S	B	115	85	85.00	Pass
16	ADARSH K S	B	116	85	85.00	Pass
17	ADARSH K S	B	117	85	85.00	Pass
18	ADARSH K S	B	118	85	85.00	Pass
19	ADARSH K S	B	119	85	85.00	Pass
20	ADARSH K S	B	120	85	85.00	Pass
21	ADARSH K S	B	121	85	85.00	Pass
22	ADARSH K S	B	122	85	85.00	Pass
23	ADARSH K S	B	123	85	85.00	Pass
24	ADARSH K S	B	124	85	85.00	Pass
25	ADARSH K S	B	125	85	85.00	Pass
26	ADARSH K S	B	126	85	85.00	Pass
27	ADARSH K S	B	127	85	85.00	Pass
28	ADARSH K S	B	128	85	85.00	Pass
29	ADARSH K S	B	129	85	85.00	Pass
30	ADARSH K S	B	130	85	85.00	Pass
31	ADARSH K S	B	131	85	85.00	Pass
32	ADARSH K S	B	132	85	85.00	Pass
33	ADARSH K S	B	133	85	85.00	Pass
34	ADARSH K S	B	134	85	85.00	Pass
35	ADARSH K S	B	135	85	85.00	Pass
36	ADARSH K S	B	136	85	85.00	Pass
37	ADARSH K S	B	137	85	85.00	Pass
38	ADARSH K S	B	138	85	85.00	Pass
39	ADARSH K S	B	139	85	85.00	Pass
40	ADARSH K S	B	140	85	85.00	Pass
41	ADARSH K S	B	141	85	85.00	Pass
42	ADARSH K S	B	142	85	85.00	Pass
43	ADARSH K S	B	143	85	85.00	Pass
44	ADARSH K S	B	144	85	85.00	Pass
45	ADARSH K S	B	145	85	85.00	Pass
46	ADARSH K S	B	146	85	85.00	Pass
47	ADARSH K S	B	147	85	85.00	Pass
48	ADARSH K S	B	148	85	85.00	Pass
49	ADARSH K S	B	149	85	85.00	Pass
50	ADARSH K S	B	150	85	85.00	Pass

Tuesday's 4 P.M. Close
(Continued)

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GLAXOWELLCOME Buys Egyptian Pharmaceutical Firm For \$120,000,000.

In what can be considered the highest bid in the history of Egyptian Pharmaceutical Industries, Amoun Pharmaceutical Industries sold 90% of its shares to GlaxoWellcome Egypt this month, for the sum of \$120,000,000.

Glaxo now owns 9% of the entire Egyptian pharmaceutical market, currently evaluated at \$1,000,000,000.

GlaxoWellcome had previously acquired, back in 1989, the first Amoun factory (ABI) presently called GlaxoWellcome Egypt. During that decade Glaxo went on producing the same Made-in-Egypt wide range of products, plus the same under license range of products that AMOUN was producing. It was the high profitability of that deal that encouraged Glaxo to buy, ten years later, a second Amoun factory. Next March, Amoun is inaugurating a new Pharmaceutical Complex, the biggest in Egypt so far.



WHY ARE FOREIGN INVESTMENTS ZOOMING IN ON EGYPT?

The laissez-faire policy of the Mubarak regime, its firm commitment towards protecting private enterprise and encouraging foreign investments was the main factor behind this industrial revolution in Egypt.

In order to achieve that goal, the Egyptian government has for the past two decades, invested heavily in an up-to-date infrastructure in five industrial satellite cities, which allows, as a matter of principle, state of the art industrial products to be manufactured in Egypt.

Having monitored this change GlaxoWellcome was among the first renowned multinationals to catch the wave and sail ahead in Egypt.

DR. YOUSSEF BOUTROS GHALI'S COMMENT DURING THE SALE SIGNING CEREMONY.

"The GlaxoWellcome deal in Egypt shows that a new generation of Egyptian entrepreneurs is now capable of building gigantic projects attractive to foreign capital. This deal reveals the maturity achieved by the Egyptian private enterprise."

Youssef Boutros Ghali
Minister of Economy



THE BRITISH AMBASSADOR'S QUOTATION

"It is a known fact that the multinationals hesitate before investing heavily in developing countries. What has happened lately in Egypt seems to have changed the rules. The investment climate has changed radically in Egypt thus attracting foreign capital. Glaxo was able to feel the changing winds early enough and thus decided widening its investment scope in Egypt."

Sir David Blatherwick
HM Ambassador in Egypt.

GLAXO'S INDIVIDUAL TEST

It is interesting to know that during that decade -1989 - 1999 between Glaxo's first deal and second, the British firm has put Egyptian economy, its growth and stability, under strict surveillance and severe tests. It discovered that Egyptian market was able to consume a reasonable majority of its products. It also discovered that Egyptian technical expertise in the field of pharmacology which dates back to the early twenties, could easily assimilate new technologies, thus enabling Glaxo to export its new products to other Middle East and African markets.

DR. NEGAD SHAARAWI, CHAIRMAN AND MANAGING DIRECTOR OF GLAXOWELLCOME EGYPT, SAID:

"The growth of our company in Egypt and this further step towards building our business for the future is an excellent example of our continued commitment to regionalisation, a strategy that builds on regional diversity and the opportunities that are continually arising."

DR. SARWAT BASSILY, CHAIRMAN OF AMOUN PHARMACEUTICAL INDUSTRIES' COMMENT ON THE OCCATION:

"I personally consider Glaxo's deal with us a vote of confidence for the Egyptian Pharmaceutical Industry."

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"If I take any action, I will inform the media," he said.

likely to bolster banks and insurers. "You'll see stable markets, although not gaining as quickly as in the last few years," said Miles Berryman of Coutts & Co. The introduction of the single European currency, the euro, on Friday, is expected to

The data in the list above is the N.A.V. supplied by the fund groups to Standard & Poor's Mideast SA. It is dated and reformatted into this list before being transmitted to the IHT. Standard & Poor's Mideast and the IHT do not warrant the quality or accuracy of the list, the date of the performance of funds of the Fund Groups and will not be liable for the list, the date of Fund Group to any extent. The list is not and shall not be deemed to be an offer by the IHT or Standard & Poor's Mideast to sell securities or investments of any kind. Investments can fall as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified professional before making any investment.

With Singa

Top JAL Shareholder Calls for Resignations

TOKYO—Japan Airlines Co.'s largest shareholder has called for the resignation of President Isao Kaneko and for the company's board of directors to take responsibility for declines in revenue and profit at Asia's biggest airline.

Hisao Itoyama, 56, who has said he owns 4 percent of the company, said Tuesday he made the demand to Akio Kono, an executive vice president, this morning.

"If the board members don't resign, I will hold an emergency shareholders' meeting," Mr. Itoyama said.

JAL said it had not received an official request from Mr. Itoyama, although it had received some management advice from him.

Mr. Itoyama, named one of Japan's richest men in 1988 by Forbes magazine, said he had paid for losses of 12 billion yen (\$102.5 million) from his investments in JAL, whose shares have fallen 68 percent over the past 30 months.

Mr. Itoyama said he now owned about 60 million shares. At Tuesday's closing price of 290 yen a share, that stake is worth about 17.4 billion yen. As of March 31, Mr. Itoyama owned 3 percent of the company, or 53.4 million shares, according to JAL.

Mr. Itoyama's criticism of JAL management is not new. In March, JAL's president, Akira Kondo, and its chairman, Susumu Yamaji, resigned after complaints by Mr. Itoyama and others about losses at JAL-owned hotels and resorts. Since then, the airline has decided to sell some of its vacation properties.

JAL has posted group net losses of 138 billion yen over the past five years, but is forecasting a return to profitability in the current financial year, which ends March 30.

Its parent net income fell 9 percent to 18.3 billion yen in the six months that ended Sept. 30, compared with the same period a year earlier, and revenue fell 2.8 percent to 615 billion yen. JAL is forecasting full-year parent profit of 10 billion yen.

Mr. Itoyama, who first bought 12 million JAL shares in 1995, has a reputation in Japan as a greenmailer: someone who buys large stakes in companies and then persuades the firms to buy back the shares at inflated prices to avoid the threat of a takeover.

In the early 1970s, Mr. Itoyama and his family bought and later sold millions of shares in Nakayama Steel Works Ltd. He wrote about his stock market strategies in a 1973 book called "The Monster Way of Doing Business."

Record Drop in Hong Kong GDP

Compiled by Our Staff From Reuters

HONG KONG—Hong Kong's economy shrank by a record 7.1 percent in the third quarter of 1998, compared with its level a year earlier, hurt by slack consumer demand, falling exports and a drop in investment spending, the government said Tuesday.

Economists said the drop in gross domestic product, the territory's biggest-ever quarterly contraction, was in line with expectations.

It was only slightly worse than preliminary estimates released in November, which showed a 7 percent contraction.

The third-quarter decline dwarfed the previous record — a

4.7 percent drop in July-September 1974 — and marked the first time since at least the early 1960s that the economy had contracted for three straight quarters. The economy shrank a revised 2.6 percent in the January-March period and by a revised 5.1 percent in the April-June quarter.

Economists said they expected Hong Kong's economy to continue to decline in the fourth quarter and into 1999, but at a slower pace, partially due to interest-rate cuts and a stabilizing property market.

"This doesn't really change our reading of the Hong Kong economy," said Chi Lo, an economist at HSBC Holdings PLC. "Maximum stress on the Hong Kong

economy has already passed, but we won't see any signs of a recovery until the second half of 1999."

The government forecast that the economy would shrink 5 percent in 1998. A year ago, the Hong Kong economy was growing at an annual rate of 6.1 percent.

"Interest-rate cuts and stabilization in apartment sales will help, but unemployment is going to stay high, and consumption will stay weak," Mr. Lo said.

During the third quarter, consumer spending fell 10 percent compared with the previous year. Consumer spending had fallen 5.1 percent in the second quarter.

(Reuters, Bloomberg)

China Stiffens Foreign-Exchange Penalties

Compiled by Our Staff From Reuters

BEIJING—China will mete out life imprisonment to those convicted of major foreign-exchange infractions under a supplementary provision to the Criminal Law adopted Tuesday, the official Xinhua press agency reported.

The report did not spell out the magnitude of violations that would warrant the severe penalty adopted by the National People's Congress.

The provision stipulates life sentences for individuals convicted of purchasing foreign exchange with forged documents, evading payments or otherwise en-

gaging in illegal trade activities, the report said. It also provides for violators to be fined as a concurrent punishment.

China has been cracking down on fraudulent foreign-exchange transactions, ordering enterprises to repatriate illegally acquired foreign exchange after an estimated \$30 billion flowed out of the country in the first half of the year.

The tough sentences were linked to approval Tuesday of a securities law. That act, which will take effect July 1, is intended to curb insider trading, listing fraud and theft of investor funds.

(AFP, Reuters)

PAKISTAN: Fallout From Nuclear Tests Rocks Economy

Continued from Page 11

"After that, we'll be back with another begging bowl."

Many observers doubt that Prime Minister Nawaz Sharif, despite sweeping to power in 1997 with a large parliamentary majority, has the will to make the tough decisions necessary to resuscitate the economy.

There is no coherent long-term economic planning. Last month, Mr. Sharif changed his finance minister for the second time in three months, installing a political crony in place of a respected technocrat. Rather than tackling core problems of this aid-dependent country, the

prime minister often defies his financial patrons, such as he did with a decision to cut electricity tariffs that temporarily imperiled Pakistan's talks with the IMF.

Paralysis is setting in among the struggling construction and textile barons of Lahore. The textile sector accounts for about two-thirds of all exports, making it a vital source of hard currency for this debt-ridden country. Pakistan, the world's fourth-largest cotton grower, normally exports 77 percent of its production. Textile exports for the three months ending in September slumped 12.3 percent compared with a year earlier.

The economic fallout from the nuclear tests was the last straw for a textile industry already reeling from a succession of failed cotton crops at home and slack demand for cotton fabric from crisis-ridden East Asia. In the wake of the tests, banks at home require a 30 percent downpayment before opening a letter of credit for the import of machinery and raw materials. Abroad, banks refuse to reconfirm letters of credit.

Many industrialists say Mr. Sharif dealt a blow to his credibility and the economy when he imposed a blanket freeze on \$1 billion in foreign-currency accounts to stem capital flight after the nuclear tests.

Investor's Asia

Hong Kong	Singapore	Tokyo
Hang Seng	Straits Times	Nikkei 225
11900	1550	17000
10000	1400	16000
8000	1200	15000
6000	1100	14000
4000	900	13000
2000	800	12000
0	700	11000
J A S O N O	J A S O N O	J A S O N O
1998	1998	1998
Exchange	Index	Tuesday
Hong Kong	Hang Seng	10,225.97
Singapore	Straits Times	1,378.45
Sydney	All Ordinances	2,768.40
Tokyo	Nikkei 225	13,708.06
Kuala Lumpur	Composite	568.23
Bangkok	SET	351.81
Seoul	Composite Index	360.29
Taipei	Stock Market Index	6,478.27
Manila	PSE	1,968.78
Jakarta	Composite Index	396.73
Wellington	NZSE-40	2,110.34
Bombay	Sensitive Index	3,046.29

Very briefly:

- South Korea had a current-account surplus of \$37.2 billion in the 11 months to November, compared with a deficit of \$11.7 billion for the year-ago period.
- Malaysia is to receive loans worth a total of \$1.35 billion from 12 foreign banks at a rate substantially cheaper than the price the government would have to pay to raise the cash by selling bonds.
- Taiwan is to ease the rules under which banks write off bad loans and may limit any expansion in the banking sector. Finance Minister Paul Chiu said, "We need to allow banks to write off bad loans quickly to strengthen them." Mr. Chiu said, "Under the new rule, banks will no longer need to go court to clear the bad loans."
- The Bank of Thailand said commercial banks' bad debts had soared to about 46 percent of total lending, prompting warnings that restructuring in the sector was far behind schedule. The central bank has set Jan. 15 as the deadline for Thai banks to raise fresh capital or face government intervention.
- Long-Term Credit Bank of Japan Ltd., which was nationalized in October, allegedly offered dividends to its shareholders this year despite having insufficient assets backing, according to a report in the daily Yomiuri Shimbun. The Financial Supervisory Agency suspects the distribution of dividends may have been in violation of the law, the report said.
- American Express Co. has applied to establish a securities company in Japan next year.

South Koreans Meet on Chip Merger

Agence France-Press

SEOUL—Two major South Korean chipmakers relaunched negotiations Tuesday on a merger, a day after banks cut off credit to one of the companies, LG Semicon Ltd., for rejecting a linkup.

An executive at LG Semicon said a meeting was under way with Hyundai Electronics Co. Ltd., but no details were available.

"The meeting is on. We will just have to wait for the outcome," the executive said.

On Monday, South Korean banks took action for the first time against the country's powerful conglomerates after LG Semicon refused to accept a decision by an international consultancy to give the controlling stake of the merged entity to Hyundai.

Negotiations over the planned tie-up, touted by Seoul as a key-stone of its corporate restructuring, had earlier broken down over LG's refusal to give up management control.

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For information please contact, Katy Hour: Fax (33-1) 41 43 92 12 or e-mail: funds@iht.com

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WORLD ROUNDUP



English bowler Darren Gough holding a stump aloft after taking the last Australian wicket.

Englishman Tames Australian Batsmen

CRICKET Dean Headley, an English quick bowler, destroyed Australia's batting on Tuesday to give England a 12-run victory in the fourth test in Melbourne.

Australia, chasing 175 for victory in its second innings, reached 130 for three wickets before losing its last seven for just 32 runs.

Headley took six wickets, including three in the space of 12 balls with the total on 140.

At the scheduled close, with Australia needing 15, Steve Waugh and Matthew Nicholson, the batsmen, opted to play an extra half-hour in spite of protests from Alec Stewart, the English captain. But Waugh was stranded at the non-striker's end as Australia lost its last three wickets for one run.

South Africa cruised to a nine-wicket victory in the third test in Durban on Tuesday to take a 3-0 lead over West Indies.

West Indies was all out for 259 in its second innings. South Africa, needing 146 to win, reached 147 for one wicket, 45 minutes before tea.

Sachin Tendulkar hit 113 as India made 356 in its second innings in the second test against New Zealand in Wellington. New Zealand, chasing 213 to win, was 73 for four at the end of the fourth day.

New Zealand will call for an end to traditional five-match series between Australia, England and West Indies when a test world championship is discussed next week. Under the proposed schedule, countries would meet home and away in a four-year cycle. (AP)

McGwire Wins AP Poll

BASEBALL Mark McGwire, the St. Louis Cardinal slugger who broke the major league home run record, was voted The Associated Press Male Athlete of the Year.

McGwire, who hit 70 homers, received 332 points in voting by AP members. The Chicago Cubs' Sammy Sosa, who hit 66 homers, was second with 177 points.

Terrill Davis of the Denver Broncos running back, was third with 63 points, followed by Michael Jordan of the Chicago Bulls with 54. (AP)

NBA Chiefs' 'Final Offer' Won't Get Players' Vote

By Selena Roberts
New York Times Service

NEW YORK — The National Basketball Association insists there be no last minute compromises.

David Stern, the NBA commissioner, spent Monday suggesting that the players should vote on the owners' final offer, which was presented Sunday.

Stern insisted that the only way to salvage the season would be for Billy Hunter, the union's executive director, to accept the proposal and prevent an owners' vote Jan. 7 that could leave the league as the first major professional sport to cancel an entire season.

In rejecting the offer Sunday, Hunter said he believed there was still room for movement, still time to talk. He has chosen not to put the matter to a vote by the players and continues to doubt the doomsday scenario depicted by Stern and Russ Granik, Stern's deputy.

In a joint conference call Monday with Granik, Stern said Hunter "didn't believe" that the National Labor Relations Board would dismiss their claim of unfair labor practices.

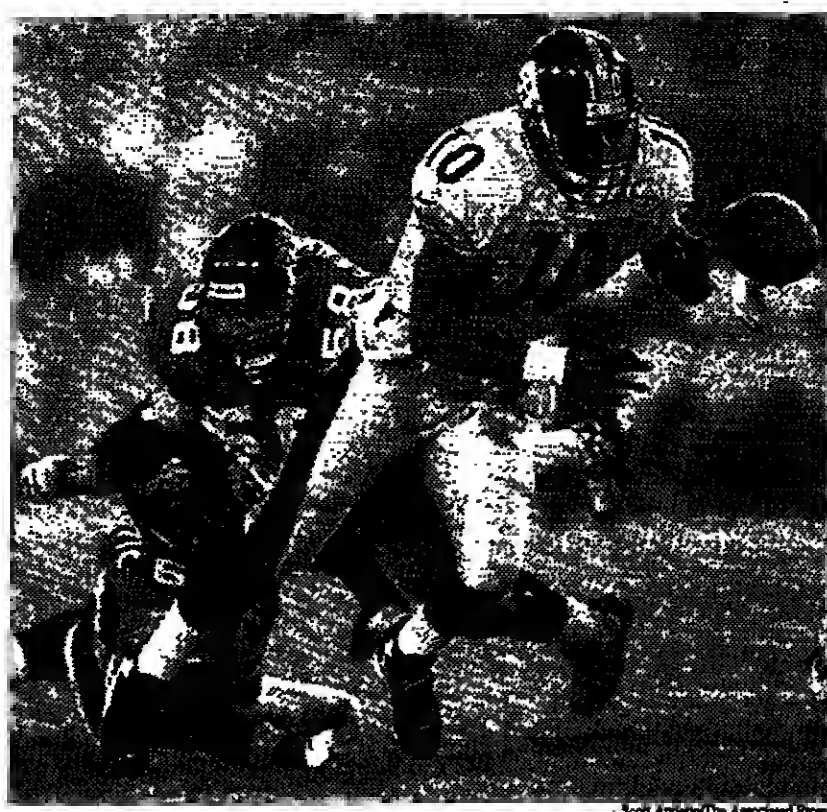
"He didn't believe the owners would lock out," he added, "and he didn't believe we would lose regular-season games, and he didn't believe that we would miss Christmas Day, and he didn't believe we would cancel the All-Star Game."

"So his analysis of this is right on target," Stern added. "So he'll leave it, once more, for the fate of 415 players. And on Jan. 8, he'll turn to his players and say: 'Guess what? I was wrong.'"

Granik said, "Or maybe he'll say, 'Gee, maybe they didn't mean it on Jan. 7.' But by then, it will be too late."

Hunter said the two sides were too close and the stakes are too high for a cataclysm. He said he was convinced that at least 80 percent of the union's 400-plus members would have voted against the current proposal. Some players are not so sure there would be a lopsided outcome. As former union president Buck Williams said, "I think it would be tight, right down the middle."

Other players, such as Karl Malone, have called the owners' offer fair.



Pittsburgh's quarterback, Kordell Stewart, fumbling as he ran past Bryan Schwartz (58) and John Jurkovic of the Jaguars in Jacksonville.

Jaguars Prep for Playoffs By Beating Steelers, 21-3

The Associated Press

JACKSONVILLE, Florida — The Jacksonville Jaguars played great defense, snapped a two-game losing streak and made their biggest rivals look bad.

Jonathan Quinn, Jacksonville's backup quarterback, gave a solid performance on Monday night as the Jaguars beat the Pittsburgh Steelers, 21-3.

The game was meaningless in the standings but gave the Jaguars a boost for the playoffs and put an exclamation point on their first American Football Conference Central Division title.

"This was the Pittsburgh Steelers, they've been the champs and we wanted to prove to them that we're the champs now," said the Jaguars' Tony Boselli.

The Jaguars (11-5) lost by 50-10 to the Minnesota Vikings last week. Quinn bounced back on Monday night, throwing for 192 yards and getting two touchdowns, one running and one passing.

The three points were the fewest allowed in the team's four-year history, though Pittsburgh's Jerome Bettis ran for

139 yards against the 26th-ranked defense in the National Football League.

"Lots has been said about our defense, and the numbers don't add up," said Jacksonville's coach, Tom Coughlin. "There were a lot of rushing yards tonight, and there were a lot last week. But again, 11-5."

Fred Taylor, Jacksonville's rookie running back, caught a nine-yard screen pass for a touchdown and scored on a 12-yard run in the third quarter for a 21-3 lead. He finished the season with 17 touchdowns, tied for second in the league with Randy Moss, the Minnesota Vikings' rookie receiver. Taylor also finished the season with 264 rushing attempts, 1,223 rushing yards and 14 rushing touchdowns, all team records.

The Steelers (7-9) finished below .500 and missed the playoffs for the first time since 1991, the year before Bill Cowher replaced Chuck Noll. Kordell Stewart, the Pittsburgh quarterback, had another bad game, finishing 17-of-37 for 174 yards and two interceptions.

'Bloody Monday' Toll: 5 Coaches in 6 Hours
More Firings Could Come in Stunned NFL

By Mike Freeman
New York Times Service

NEW YORK — Remember the date: Dec. 28, 1998.

There has never been another like it in the history of the National Football League because in a six-hour period Monday, five head coaches lost their jobs.

In what is being called Bloody Monday by team executives and coaches around the league, the dismissals were carried out for a variety of reasons, ranging from not living up to high expectations to failing to keep a tight rein on players.

The coaches dismissed were Dom Capers of the Carolina Panthers, Ray Rhodes of the Philadelphia Eagles, Dennis Erickson of the Seattle Seahawks, Dave Wannstedt of the Chicago Bears and Ted Marchbanks of the Baltimore Ravens. With the earlier resignations of Jim Jones from the San Diego Chargers and the opening created with the expansion Cleveland Browns, there are seven coaching vacancies.

And that does not include other possible firings, perhaps the Washington Redskins' coach, Norv Turner, among them. Bruce Coslet's job with the Cincinnati Bengals had supposedly been in jeopardy, but General Manager Mike Brown asked him to return Monday despite a 3-13 record.

It is unlikely that Mike Holmgren, the Green Bay Packers' coach, will return next season. He may opt to leave for a more lucrative — and powerful — combination of general manager and coach somewhere. Holmgren could end up with the San Francisco 49ers, and if that happens, Coach Steve Mariucci could be working in Cleveland next season.

People around the NFL were stunned by the number of dismissals in such a short burst of time, the day after the regular season ended except for the Jacksonville Jaguars-Pittsburgh Steelers game on Monday night.

"This was unbelievable," said Eric Accorsi, the New York Giants' general manager. "I've never seen anything like it. No one has."

Why so many coaches? There is a theory that the quick success of men like Bill Parcells with the New York Jets and

Dan Reeves with the Atlanta Falcons — both having turned sorry franchises into division winners in only two years — has lowered the patience level of owners.

An owner thinks: If Parcells can take a 1-15 team to 12-4 in the football equivalent of the blink of an eye, why can't my coach?

"It's a bittersweet moment," said the Ravens' owner, Art Modell. "I'm saddened by what I had to do today, but I look forward to winning again. I didn't come from Cleveland to Baltimore to lose."

The success of Parcells, Reeves and the Denver Broncos' Mike Shanahan — all with total control of their respective organizations — means that there will probably be an increase in such dual positions. The NFL is about copying trends, and that is the biggest one going now. But there were particular factors in each of the firings.

Capers of the Panthers was voted Coach of the Year in 1996, when he led his team to a 13-5 record and the National Football Conference West title. But 7-9 and 4-12 seasons followed. He was seen as a disciplinarian when he first got the job, but there were several major problems that marked his tenure. Quarterback Kerry Collins was cut. Then, this month, the running back Fred Lane was benched for one game after grabbing his crotch while celebrating a touchdown. The linebacker Kevin Greene was suspended for a game after attacking an assistant coach, Kevin Steele, on the sideline.

The problems in Seattle and Chicago were poor drafting and not making the most of talent. The Seahawks' Erickson went 8-8, 7-9, 8-8 and 8-8, despite the team's acquisition of such high-priced free agents as the running back Ricky Waters, the linebacker Darrin Smith, the guard Brian Habib, the center Kevin Glover and the punter Jeff Feagles. Those players cost Seattle's owner, Paul Allen, about \$15 million in signing bonuses.

The Bears' Wannstedt made several questionable personnel moves, including signing the quarterback Rick Mirer. The Ravens' Marchbanks had a strong bond with some of his players, but much more was expected than six victories.

The Eagles' Rhodes, Coach of the Year in 1995, worked with four different general managers in four years.

If you really want to be truthful with yourself, I think I have to say that I made some mistakes early on," said the Eagles' owner, Jeffrey Lurie. "I think I should have been a lot more determined to make sure we had a very strong player personnel department as the top priority. Day One, and insisted on changes when I bought the team."

The Browns' interviewee the Minnesota Vikings' offensive coordinator, Brian Billick, on Monday, and the expansion team was expected to speak to the Browns' offensive coordinator, Gary Kubiak, on Tuesday.

"I think it's disgusting," said Jimmy Johnson, coach of the Miami Dolphins and a friend of Wannstedt, of the firings. "Some of the better coaches in the NFL got fired today. I know we're highly paid, but it's a shame when coaches jobs are dependent on injuries, skyboxes, people in the stands and officiating calls."

'Bad Day' for Hasek Means a 7-4 Loss for Sabres

The Associated Press

Dominik Hasek allowed four goals on six shots — including three goals on the first three shots — and was pulled from the net as the Buffalo Sabres lost, 7-4, to the New Jersey Devils.

Hasek was removed 22 seconds into the second period after Dave Andreychuk's goal gave the Devils a 4-1 lead on Monday night in Buffalo. "A bad day," Hasek said.

Two nights earlier, Hasek stopped all 34 shots he faced in the Sabres' 2-0 victory at New Jersey. "I don't have any excuses," Hasek said Monday. "I don't think I made any big mistakes. I just

didn't stop the puck."

Krzysztof Oliwa gave New Jersey a 1-0 lead 2:50 into the game, snapping

NHL Roundup

Hasek's scoreless streak at 166 minutes, 25 seconds.

Senators — 2, Anaheim 2. Dominik Roussel stopped 37 shots as the Anaheim Mighty Ducks gained a tie at Ottawa.

After Shawn McEachern gave Ottawa a 1-0 lead on the game's first shot, 69 seconds into the opening period, Roussel blanked the Senators until

McEachern scored again with six seconds remaining in regulation.

"Roussel made some saves he didn't even see," McEachern said.

Capitals 5, Bruins 1. Peter Boudra, Ken Klee and Sergei Gonchar scored first-period goals as Washington won after returning home from the longest road trip in team history.

Blues 4, Red Wings 4. In Detroit, Vyacheslav Kozlov scored two goals as the Red Wings snapped a five-game losing streak.

Panthers 5, Islanders 1. Paul Laus and Terry Carkner scored as Florida beat visiting New York for the Panthers' fourth victory in their last five games.

Stars 1, Predators 0. In Dallas, Shawn Chambers scored the only goal and Ed Belfour stopped 14 shots as the Stars remained unbeaten in 12 games, matching a franchise record.

Kings 4, Coyotes 2. Luc Robitaille scored twice — including the game-winner with 6:48 remaining — and added an assist as Los Angeles ended Phoenix's 11-game home unbeaten streak.

Sharks 1, Flyers 1. In San Jose, Mike Vernon and John Vanbiesbrouck each stopped 22 shots as San Jose and Philadelphia skated to a tie.

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SPORTS

Desperately Seeking a New Owen

From Rome to Rio de Janeiro, Scouts Hunt for Soccer Prodigies

By Rob Hughes
International Herald Tribune

LONDON — The hunting season in Britain is in full swing. This is not an observation of the annual antagonism between those who pursue foxes and those who protest. Nor is it a reflection of the frenzy of high street shopping that characterizes the British need to get out of their houses and scurry for New Year bargains.

The most intense game in town, and country, is scouting for the next Michael Owen. He is the prodigy sweetly subtitled "The Baby English Footballer" by an Italian clothing company eager to dress the teenager in its designer label. The company is in a queue which would stretch from Anfield stadium, where Owen notched another brace of goals for Liverpool on Monday, to Hawarden, north Wales, where Owen took out contracts on three homes before his 19th birthday a week before Christmas.

Owen is the bambino insured by Liverpool for \$100 million. He is timed by Tissot, the Swiss watchmaker, that bought an association before his World Cup wonder goal, at 10.9 seconds for 100 meters. He is even quicker over the crucial first 10 meters.

But, though he is coveted from Rome to Rio de Janeiro, the outlay on those three village houses suggests Owen is going nowhere fast. One house is for mom and dad, Janette and Terry. The dwelling next door, modern and mock Tudor, is for whichever of his older brothers or sisters is ready to leave the family nest. The third, being built to his own specification, is a three-story mansion, complete with games room, snooker room and soccer practice area in the grassed gardens.

That will be his retreat. The teenage girls will stand at the gates, as they already do the street where Owen was raised under the wing of a father who was himself a soccer starlet, and a mother who is all things a mom should be. Within a half mile lives Louis, the

sweetheart from way back who is 18 and in a bank. She is far from the pregnant Spice Girl fiancée of Manchester United's David Beckham, and will not be "moving in" when the new abode is complete.

The enduring image, and remarkably much of the reality, around the Owens is ordinariness, as close to innocence as a developing young man who has the world at his feet can possess.

It is no innocent game who affords \$750,000 for family homes. Owen has been a goalscorer with a wicked, uncompromising finish since junior

WORLD SOCCER

school, and three red cards against him testify to his tough inner nature. Those cards, for a head butt and for kicking a full-grown international defender when he was down, are more than a boy getting his retaliation in first; they suggest a streak of spite that Owen's agent and publicists may struggle to smooth over.

For there is a fortune to be reaped from preserving the wholesome boy-next-door aura of a player who, while hardly out of apprenticeship, earns a basic wage of more than a \$1 million a year for himself and is worth countless millions to the small industry that feeds off him. His agent, as it happens, is a careful type, far from the fat cigar and fast-back merchants who have mis-guided other shooting stars of the sport.

In Milan, close to the San Siro where Ronaldo and other stars play, a street poster just before Christmas bore the face of Owen and the claim that he is the ultimate star of soccer. It advertised the Michael Owen Playstation game.

Owen had returned home from the World Cup sharp and fresh, unlike renowned international stars such as Dennis Bergkamp and Marcel Desailly, whose stamina was blunted by a World Cup that took its toll in mental and physical terms. No one told Owen these experiences slow you down; no one has yet told defenders how to handle his pace

and his rapacious shooting appetite: nothing has yet reigned in his instincts. And absolutely nothing has put a brake on the hunt. In kindergartens, in back yards, on streets and playing fields there are talent scouts looking to discover the next multimillion dollar prodigy.

Owen has yet to play in a team that actually achieves anything, but this month, just past his 19th birthday, he was voted Britain's sporting personality of the year in a BBC poll.

I have forgotten the name of the 12-year-old Milan lured from southern Italy to groom into stardom, and it would serve no great purpose to look up the 16-year-old who, Sampdoria's late patriarchal president Paolo Mantovani was convinced, was going to be the new Vialli. Their time has come and gone.

There is in England, a country which calls itself the motherland of soccer, a fearful scramble to scout boys of five. Charlton Athletic, a smallish South London club, boasts that it scans 100,000 kids a year in an attempt to find, polish and sell the skills which provide life blood to the club.

Parents, it seems, are only too willing to oblige. There is a 17-year-old in the East End of London, Joe Cole, for whom Manchester United has already offered his club West Ham United \$5 million. There is a child of eight whose parents resist offer and counter offer. And there last year the parents of one 12-year-old — whose name, sadly, has been published by the British press — divorced and fought in court over the father's alleged exploitation of his son's precocity.

Why? There might be 10 million reasons, the conservative estimate of Michael Owen's annual income. I only hope he gets a comfortable ride to manhood and the homes he is buying in his boyhood community can insulate him from the destructive backlash that so often follows transient fame.

Rob Hughes is chief sports writer of The Times of London.



Hermann Maier soaring to victory Tuesday in Italy.

In Downhill, Maier Leads Austrian Sweep

BORMIO, Italy — Hermann Maier led an Austrian sweep of the top six places Tuesday for his first World Cup downhill victory of the men's alpine season.

Maier raced down Bormio's Stelvio course in 1 minute 54.51 seconds, in a race marked by crashes. In the more serious crash, Nicolas Burtin of France injured his knee.

Tales of Survival From Deadly Race

By Michael Perry
Reuters

SYDNEY — Their eyes are blank and their faces grim. Some are bruised and battered, bones broken, faces blistered red by windburn or covered with dried blood.

They were the survivors of the Sydney-Hobart yacht race, which killed five sailors and left one missing at sea as the search was called off Tuesday.

The survivors, some captured on film by fellow crewmen as they waited desperately to be rescued from a killer sea, have seen hell, and it is something they would rather forget.

"I personally won't race" again, said Richard Winning, skipper of Winston Churchill, which lost three men after they were washed off a liferaft. "I've been sailing with those guys since I was a young child. It's shocking to lose your mates like this."

Roger Barnett, plucked from sea after his yacht Midnight Special was spun by a wave, said: "I will go sailing again but not for a little while."

His first Sydney-Hobart turned into a nightmare Sunday night when a black sea reared up, powered by deafening 70-plus knot gales, and smashed the race's 115-boat fleet.

"There was a terrible crash as that wave hit, it was a huge size," Barnett said. The wave ripped off the mast, shredded the rigging and flung the crewmen against the hull.

The crew bailed water and fired distress flares as the yacht drifted through the night. It was spotted Monday

by a rescue aircraft, but as the first crewman swam to a helicopter rescue diver, another wave rolled the yacht, trapping seven crew in the cabin. Water pressure jammed the cabin doors closed as the yacht flooded. One crewman, caught in his safety harness, was trapped against the doors. Barnett cut the harness and the crew forced open the doors and swam in safety.

Solo Global Challenge was limping back to port Tuesday after Newcastle, Australian frigate, picked two injured sailors from wave-damaged yacht.

"I found myself being towed behind the boat, underwater," by the lifeline," said Glen Picasso, a crewman. "When the boat did stop and right itself, I scrambled back onto the boat and found it swamped and dismasted."

"One of our crew was trapped by the mast across his leg on the deck. The other two guys were in the cockpit bleeding and stunned," he said.

Glyn Charles, one of the five dead, was attached to a harness when he was washed off Sword of Orion, never to be seen again.

Philip Skeggs on Business Post Naiaid drowned after he was washed overboard and became entangled in his lifeline. Bruce Guy, his skipper, died of a heart attack as his yacht was smashed by the waves. Their corpses remain on the splintered boat adrift at sea.

The race was won by Saynorara, owned by Lawrence Ellison, chairman of Oracle Corp.

SCOREBOARD

ICE HOCKEY

NHL Standings

EASTERN CONFERENCE					NHL: 554-1
ATLANTIC DIVISION					NHL: 554-1
New Jersey	29	9	1	44	64
Philadelphia	16	9	9	41	52
Pittsburgh	14	10	7	36	54
Washington	13	10	7	36	54
N.Y. Islanders	13	20	1	26	50
NORTHEAST DIVISION					NHL: 554-1
Montreal	19	13	2	34	58
Toronto	19	13	2	40	57
Ottawa	15	12	4	36	52
Buffalo	15	13	4	34	52
Quebec	9	10	10	25	49
SOUTHEAST DIVISION					NHL: 554-1
Florida	16	14	5	37	59
Atlanta	15	13	4	34	54
Washington	11	18	3	25	70
Tampa Bay	8	22	3	19	49
WESTERN CONFERENCE					NHL: 554-1
CENTRAL DIVISION					NHL: 554-1
Chicago	17	15	2	36	55
St. Louis	12	11	9	33	57
Minnesota	12	11	9	33	57
Chicago	10	20	4	34	77
NORTHWEST DIVISION					NHL: 554-1
Colorado	15	16	3	33	59
Edmonton	15	16	3	33	59
Vancouver	13	17	4	30	54
Calgary	12	19	3	27	53
PACIFIC DIVISION					NHL: 554-1
San Jose	22	5	6	40	59
Phoenix	20	7	4	44	61
Anaheim	13	12	8	34	75
Los Angeles	11	12	9	34	75
San Angeles	11	21	3	25	76
RECENTLY RELEASED					NHL: 554-1
New Jersey	3	0	3	1-7	
1st Period:	N.J.-Ottawa	3	0	3-4	
2nd Period:	N.J.-Ottawa	3	0	3-4	
3rd Period:	N.J.-Ottawa	3	0	3-4	
4th Period:	N.J.-Ottawa	3	0	3-4	
5th Period:	N.J.-Ottawa	3	0	3-4	
6th Period:	N.J.-Ottawa	3	0	3-4	
7th Period:	N.J.-Ottawa	3	0	3-4	
8th Period:	N.J.-Ottawa	3	0	3-4	
9th Period:	N.J.-Ottawa	3	0	3-4	
10th Period:	N.J.-Ottawa	3	0	3-4	
11th Period:	N.J.-Ottawa	3	0	3-4	
12th Period:	N.J.-Ottawa	3	0	3-4	
13th Period:	N.J.-Ottawa	3	0	3-4	
14th Period:	N.J.-Ottawa	3	0	3-4	
15th Period:	N.J.-Ottawa	3	0	3-4	
16th Period:	N.J.-Ottawa	3	0	3-4	
17th Period:	N.J.-Ottawa	3	0	3-4	
18th Period:	N.J.-Ottawa	3	0	3-4	
19th Period:	N.J.-Ottawa	3	0	3-4	
20th Period:	N.J.-Ottawa	3	0	3-4	
21st Period:	N.J.-Ottawa	3	0	3-4	
22nd Period:	N.J.-Ottawa	3	0	3-4	
23rd Period:	N.J.-Ottawa	3	0	3-4	
24th Period:	N.J.-Ottawa	3	0	3-4	
25th Period:	N.J.-Ottawa	3	0	3-4	
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27th Period:	N.J.-Ottawa	3	0	3-4	
28th Period:	N.J.-Ottawa	3	0	3-4	
29th Period:	N.J.-Ottawa	3	0	3-4	
30th Period:	N.J.-Ottawa	3	0	3-4	
31st Period:	N.J.-Ottawa	3	0	3-4	
32nd Period:	N.J.-Ottawa	3	0	3-4	
33rd Period:	N.J.-Ottawa	3	0	3-4	
34th Period:	N.J.-Ottawa	3	0	3-4	
35th Period:	N.J.-Ottawa	3	0	3-4	
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40th Period:	N.J.-Ottawa	3	0	3-4	
41st Period:	N.J.-Ottawa	3	0	3-4	
42nd Period:	N.J.-Ottawa	3	0	3-4	
43rd Period:	N.J.-Ottawa	3	0	3-4	
44th Period:	N.J.-Ottawa	3	0	3-4	
45th Period:	N.J.-Ottawa	3	0	3-4	
46th Period:	N.J.-Ottawa	3	0	3-4	
47th Period:	N.J.-Ottawa	3	0	3-4	
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49th Period:	N.J.-Ottawa	3	0	3-4	
50th Period:	N.J.-Ottawa	3	0	3-4	
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55th Period:	N.J.-Ottawa	3	0	3-4	
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62nd Period:	N.J.-Ottawa	3	0	3-4	
63rd Period:	N.J.-Ottawa	3	0	3-4	
64th Period:	N.J.-Ottawa	3	0	3-4	
65th Period:	N.J.-Ottawa	3	0	3-4	
66th Period:	N.J.-Ottawa	3	0	3-4	
67th Period:	N.J.-Ottawa	3	0	3-4	
68th Period:	N.J.-Ottawa	3	0	3-4	
69th Period:	N.J.-Ottawa	3	0	3-4	
70th Period:	N.J.-Ottawa	3	0	3-4	
71st Period:	N.J.-Ottawa	3	0	3-4	
72nd Period:	N.J.-Ottawa	3	0	3-4	
73rd Period:	N.J.-Ottawa	3	0	3-4	
74th Period:	N.J.-Ottawa	3	0	3-4	
75th Period:	N.J.-Ottawa	3	0	3-4	
76th Period:	N.J.-Ottawa	3	0	3-4	
77th Period:	N.J.-Ottawa	3	0	3-4	
78th Period:	N.J.-Ottawa	3	0	3-4	
79th Period:	N.J.-Ottawa	3	0	3-4	
80th Period:	N.J.-Ottawa	3	0	3-4	
81st Period:	N.J.-Ottawa	3	0	3-4	
82nd Period:	N.J.-Ottawa	3	0	3-4	
83rd Period:	N.J.-Ottawa	3	0	3-4	
84th Period:	N.J.-Ottawa	3	0	3-4	
85th Period:	N.J.-Ottawa	3	0	3-4	
86th Period:	N.J.-Ottawa	3	0	3-4	
87th Period:	N.J.-Ottawa	3	0	3-4	
88th Period:	N.J.-Ottawa	3	0	3-4	
89th Period:	N.J.-Ottawa	3	0	3-4	
90th Period:	N.J.-Ottawa	3	0	3-4	
91st Period:	N.J.-Ottawa	3	0	3-4	
92nd Period:	N.J.-Ottawa	3	0	3-4	
93rd Period:	N.J.-Ottawa	3	0	3-4	
94th Period:	N.J.-Ottawa	3	0	3-4	
95th Period:	N.J.-Ottawa	3	0	3-4	
96th Period:	N.J.-Ottawa	3	0	3-4	
97th Period:	N.J.-Ottawa	3	0	3-4	
98th Period:	N.J.-Ottawa	3	0	3-4	
99th Period:	N.J.-Ottawa	3	0	3-4	
100th Period:	N.J.-Ottawa	3	0	3-4	

POSTCARD

A Canine Enthusiasm

By Caitlin Lovinger
New York Times Service

NEW YORK — The International Time Capsule Society has a few things I would like you to know about your contribution to his millennium's posterity.

While people have long held a canine enthusiasm for burying objects of value for later discovery, they lack a sense of "stewardship," says one of the society's founders, Knute Berger. Of the tens of thousands of capsules buried across the United States, most will be lost, destroyed or otherwise prevented from passing their legacy, he said.

One rule is not to tell too many people—or too few, for that matter. In Westport, Fla., for example, the first master of an elementary school buried a commemorative capsule in 1947 and left a note specifying its content and the year of its intended disinterment, 1997. But he neglected to denote its location.

In Wilkesburg, Pennsylvania, a church capsule was carefully concealed from vandals and remains concealed from everyone else, too, after a century. People have been known to uncover one container while trying to bury another.

Time capsules must be interred with an eye to the distant future, of course. Local scholars attended the 1995 excavation of a century-old capsule in New Zealand with interest because it held historical papers. But all they found was muddy water and a button.

At least now there is expert advice at the time capsule society at Oglethorpe University in Atlanta, which houses the enormous "Crypt of Civilization." Its creator, Thom-

well Jacobs, considered 1940 as a midpoint in recorded history, so the crypt was built then and will be opened in 1113. The society will register anyone's capsule by location, date and contents.

The Westinghouse Time Capsule from the 1939 World's Fair in Flushing Meadows, New York, officially introduced the concept of a time capsule. The actual term was coined by a publicist for Westinghouse Electric (another possibility was "Time Bomb").

Among the contents are microfilm of newspapers and books, including "Gone With the Wind," newsreels including Howard Hughes's Spruce Goose and a Miami fashion show, examples of the day's technology (including coal and asbestos, the "miracle fabric") and representations of daily life (photographs of a poker game and a 1938 baseball rule book).

Its creators, who planned its excavation for the year 6939, distributed 3,650 copies of a "Book of Record" to sites around the world, from the Library of Congress (which apparently can't seem to locate its two copies) to the Great Monastery Library in Tibet. The book aspires to preserve the English language with pronunciation charts, diagrams and an updated Rosetta Stone, as well as messages to the future from Albert Einstein and Thomas Mann, among others.

The book's prologue refers humbly enough to the site of the capsule's placement: "New York will certainly be an attractive place for archaeologists 5,000 years from now, as are the sites of ancient Athens, Rome and Troy in our own time."

In Paris, a Selective Homage to Jewish Culture

By Alan Riding
New York Times Service

PARIS — In a country already crowded with museums dedicated to every imaginable topic, it was at the very least strange that until now France had no Jewish museum worthy of the name. After all, more Jews live in France than in any other European country except Russia. France also has an outstanding moral debt to a Jewish population decimated by wartime deportations from occupied France to Nazi death camps.

France has finally made amends when President Jacques Chirac inaugurated the Museum of the Art and History of Judaism in the Marais, the old Jewish quarter of Paris. Chirac's presence was not just a formality. As the first French president to apologize for the pro-Nazi Vichy regime's role in persecuting Jews during World War II, he was all too aware of the symbolism of the occasion. He had also helped make it happen.

As early as 1980, as mayor of Paris, he backed the project, and six years later he designated a 17th-century mansion owned by the city to be transformed into the museum. Subsequently, the \$40 million cost of restoring and expanding the Hotel de Saint-Aignan was shared by the national and city governments. Each will also contribute \$2 million a year toward the operating costs of what is now, no less than the Louvre, a national museum.

With the public in mind, the museum aims to provide an overview of the history of European Jews since the Middle Ages, with sections dedicated to the parallel development of the Ashkenazic and Sephardic cultures, respectively in Northern and Eastern Europe and in Spain and North Africa. It also dwells on the emancipation of Jews initiated by the French Revolution and the emergence of nonreligious Jewish art this century.

"I'm incredibly impressed with the quality of the objects they have put together," Norman Kleeblatt, the Susan and Eliahu Rose curator of fine arts at the Jewish Museum in New York City, said after visiting the new museum. "I had been afraid that the objects might be swallowed up by the architecture. They were not. The quality and beauty of the objects is impressive."

Yet for all the celebration of the new museum at 71 Rue du Temple in the Fourth Arrondissement, the very choice of its name underlines the continuing complexity of the relationship between France and its Jewish



President Chirac, left, with Laurence Sigal, director of the museum, second left, and descendants of Alfred Dreyfus, at the museum's inauguration last month.

population. In other words, the Museum of the Art and History of Judaism is not a museum of the history of Jews in France. More specifically, the fate of France's Jews in World War II, when 78,000 were deported, and after which only about 2,000 returned, is barely addressed.

This omission provoked a fiercely critical article in the left-leaning newspaper Libération. It also prompted expressions of surprise from some experts. "I think that even a Jewish public expected that the fate of their French brethren be mentioned more explicitly in the museum," said Edward van Vollen, curator of the Jewish Historical Museum in Amsterdam.

The only direct reference to the Holocaust is found in an installation by Christian Boltanski that includes a wall peppered with plaques that carry the names, birthplaces and professions of Jews who lived in the Hotel de Saint-Aignan in the late 1930s. At least 13 of these residents were arrested and sent to death camps during the German occupation of Paris between May 1940 and August 1944.

Yet the decision not to focus on the Holocaust is not accidental. It reflects the continuing reluctance of France as a whole and

French Jews to confront this painful past, even though the subject is no longer ignored as it was for many decades. But it also touches on a broader debate over how far the Holocaust should be treated as a central event of Judaism and whether it should be commemorated in Jewish museums or through separate Holocaust memorials.

"How prevalent is the Holocaust in Jewish history?" Kleeblatt asked. "It's a real issue, and we struggle with that in the Jewish Museum. Does a Jewish museum only become a museum of tragedy? A Jewish museum also has an obligation to tell a cultural story."

These questions have become all the more topical as new Jewish museums have sprung up across Europe in recent years, among them those of Amsterdam in 1986, Frankfurt in 1988, Vienna in 1994 and London and the former East Berlin in 1995. A new extension to the Berlin Historical Museum, which will record the history of Jews in Berlin and is also already known as the Jewish Museum, opens next year. In Berlin and Vienna, though, separate Holocaust memorials are planned.

The point of departure in Paris was different. Here, the museum's profile was initially defined by the availability of two ex-

isting collections: 149 religious objects and ancient manuscripts collected by Isaac Strauss in the early 19th century and donated to the Musée National du Moyen Age in 1890, and the contents of a small Jewish Art Museum founded in 1948 by Jewish groups trying to rescue remnants of Jewish culture after the Holocaust.

For the last 12 years, the new museum has been building on these collections through donations, purchases and loans, albeit always maintaining the focus on the art and history of Judaism, as with its rooms dealing with the presence of Jews in the Italian Renaissance and Jews in 17th-century Amsterdam and an exhibit on the Dreyfus affair, the late 19th-century scandal over a Jewish army officer unjustly accused of treason.

While the museum's organizers leave open the question whether Jewish art exists as such, they have brought together works by a number of Jewish painters, many of whom moved to France early in this century and belonged to the so-called Ecole de Paris. One entire room is also dedicated to paintings and drawings by Marc Chagall, on loan from the Georges Pompidou Center.

The Pompidou Center has further lent 25 paintings, looted by Nazi occupiers and recovered after the war, whose owners, presumed to be Jewish collectors, have not yet been identified. These include works by Picasso, Dufy, Leger, Matisse and Utrillo, and they are among about 2,000 art objects still held by the French government pending identity of the rightful heirs.

This loan is evidently a political nod to the current heated debate in Europe and the United States over the whereabouts and ownership of valuable works of art seized by the Germans from Jewish collectors. Otherwise, however, the museum takes little account of changing French attitudes toward the Holocaust over the past decade.

"In 1988, the Jewish question and Jewish culture were being studied in France for the first time," said Laurence Sigal, the museum's director. "The Shoah still had a very small place in the Jewish and French conscience. It was still a private question; now it is a national problem."

Still, the museum does have room for temporary exhibitions that can tackle more topical issues. "This is a new museum, and they need time to reflect and grow," Kleeblatt said in a telephone interview. "It's a natural process. You can't expect a museum to arrive fully formed."

PEOPLE



REHEARSAL — Lorin Maazel practicing with the Vienna Philharmonic Orchestra for the New Year's concert to be broadcast worldwide.

BUSTED. The rap artist Busta Rhymes was charged with criminal possession of a weapon after the police said they had found a loaded handgun in his Mercedes when he was pulled over for allegedly driving erratically. The rapper, whose real name is Trevor Smith, was driving with his business manager, Gerald Odom. A complaint filed in New York said a police officer also found a small quantity of marijuana in Odom's pants pocket. Odom faces the same weapons charge and a possession of marijuana charge.

Connecticut as the Mark Twain state? Actually the Constitution State does hope that giving the filmmaker Ken Burns \$530,000 for a planned documentary on the American author and former state resident will make the two more synonymous and increase tourism. Twain, born Samuel Clemens in Missouri, wrote his most famous books, including "The Adventures of Tom Sawyer" and "The Adventures of Huckleberry Finn," while living in a Victorian mansion in Hartford.

Virginia officials said tourism increased sharply after Burns's 1990 Civil War miniseries, which was filmed largely in the state and remains the biggest hit in the history of U.S. public television.

The Beatles and Elvis Presley are sharing a slab of sidewalk. The Beatles

were paid their due on Hollywood's Walk of Fame, where their star reappeared Christmas day at the intersection of Hollywood and Vine. The star first appeared in 1994 but was removed when Capitol Records said a ceremony should be held with a band member present, and Paul McCartney, George Harrison and Ringo Starr declined to

appear for such an event. Hollywood's honorary mayor, Johnny Grant, decided to go ahead with it anyway.

Matt Groening, creator and executive producer of the animated series "The Simpsons," now understands why back-talking Bart Simpson is criticized as a bad role model for kids. "I now have a 7-year-old boy and a 9-year-old boy, so all I can say is I apologize," Groening said in an interview in The New York Times Magazine. "Now I know what you were talking about."

Mikhail Baryshnikov will perform the American premiere of "Dance With Three Drums and Flute," choreographed by the Japanese Kabuki dancer-actor Tamasaburo Bando, when he appears in an evening of new mostly solo works on Jan. 12 at St. Mark's Danceplace, at St. Mark's Church in the East Village in New York. The event is a benefit for Dan Cuts Responing to AIDS.

Last Call for Times Square New Year's Ball

The Associated Press

NEW YORK — The Times Square New Year's Eve ball will be retired after it ushers in the new year one last time Thursday night. A new ball made of crystal will be in place for next December's drop during the city's celebration for the year 2000.

Brendan Sexton, president of the Times Square Business Improvement District, said the current 500-pound (227-kilogram), aluminum ball, "has served us as a wonderful symbol of celebration, and we will give it a great farewell at its final performance."

The new ball, to be completed by Waterford Crystal at its headquarters in Ireland, is still in the planning stages.

This year's New Year's Eve celebration is expected to attract 500,000 people to Times Square and will feature three giant video screens and a pyrotechnic display. And, of course, the ball's minute-long descent.



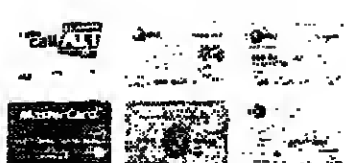
(take in a rock show)

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France	0-800-91-0011	Netherlands	0800-022-9111
Germany	0120-0010	Russia (Moscow)	733-5042
Spain	900-99-40-11	Saudi Arabia	1-800-100-10
Sweden	900-795-411	Switzerland	0800-89-0011
United Kingdom	0800-89-0011	United Kingdom	0800-89-0011

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